SENATE

FRIDAY, *May 2, 1924*

(Legislative day of Thursday, April 24, 1924)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The principal clerk called the roll, and the following Senators answered to their names:

Adams	Dial	Lodge	Smith
Bayard	Dill	McKinley	Smoot
Borah	Ferris	McLean	Stephens
Broussard	Fess	Oddie	Sterling
Bursum	Frazier	Overman	Walsh, Mass.
Cameron	Gooding	Pepper	Walsh, Mont.
Capper	Harris	Phipps	Warren
Caraway	Howell	Reed, Pa.	Willis
Copeland	Johnson, Minn.	Sheppard	
Cummins	Keyes	Shortridge	
Curtis	King	Simmons	

Mr. CURTIS. I wish to announce that the Senator from Wisconsin [Mr. LENROOT] is absent on account of illness. I request that this announcement may stand for the day.

I was requested to announce that the Senator from Nebraska [Mr. NORRIS], the Senator from Oregon [Mr. MCNARY], the Senator from North Dakota [Mr. LADD], the Senator from Illinois [Mr. MCKINLEY], the Senator from South Carolina [Mr. SMITH], the Senator from Louisiana [Mr. RANSDELL], the Senator from Wyoming [Mr. KENDRICK], the Senator from Mississippi [Mr. HARRISON], and the Senator from Alabama [Mr. HEFLIN] are attending a hearing before the Committee on Agriculture and Forestry.

I was also requested to announce that the Senator from Iowa [Mr. BROOKHART], the Senator from Washington [Mr. JONES], the Senator from New Hampshire [Mr. MOSES], the Senator from Arizona [Mr. ASHURST], and the Senator from Montana [Mr. WHEELER] are attending a hearing before a special investigating committee of the Senate.

Mr. PHIPPS. I wish to announce that the Senator from Maine [Mr. HALE] and the Senator from Virginia [Mr. SWANSON] are engaged in a meeting of the conferees on the naval appropriation bill.

The PRESIDENT pro tempore. Forty-one Senators have answered to their names. There is not a quorum present. The Secretary will call the roll of absentees.

The principal clerk called the names of the absent Senators, and the following Senators answered to their names when called:

Bruce	Neely	Pittman	Shields
Glass	Norbeck	Ransdell	Watson
Johnson, Calif.			

The following Senators entered the Chamber and answered to their names:

Ball	Fernald	McKellar	Stanley
Brandegee	Fletcher	Mayfield	Wadsworth
Dale	George	Ralston	
Edwards	Harreld	Shipstead	
Ernst	Ladd	Stanfield	

The PRESIDENT pro tempore. Sixty-seven Senators have answered to their names. There is a quorum present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigun, one of its clerks, announced that the House had passed a bill (H. R. 6357) for the reorganization and improvement of the foreign service of the United States, and for other purposes, in which it requested the concurrence of the Senate.

ACCOUNTS OF THE FARM LOAN COMMISSIONER

The PRESIDENT pro tempore laid before the Senate a communication from the Secretary of the Treasury, which was ordered to be printed in the RECORD, and, with, the accompanying report, referred to the Committee on Banking and Currency, as follows:

THE SECRETARY OF THE TREASURY,
Washington, April 30, 1924.

Hon. ALBERT B. CUMMINS,
President pro tempore of the Senate.

MY DEAR MR. PRESIDENT PRO TEMPORE: In compliance with Senate Resolution 190, I herewith inclose a statement in detail of the funds that have been covered into the account of the Farm Loan Commissioner, together with a statement of the sources of said funds in each case and the date of each disbursement from said account. The account is stated up to March 12, 1924, the date of the resolution.

Very truly yours,

A. W. MELLON,
Secretary of the Treasury.

PETITIONS AND MEMORIALS

Mr. SHORTRIDGE presented 157 resolutions, petitions, and papers in the nature of petitions from sundry citizens and organizations in the State of California, and 61 resolutions, petitions, and papers in the nature of petitions from sundry citizens and organizations of other States in the Union, praying or favoring, respectively, an amendment to the Constitution conferring power upon Congress to regulate child labor, which were referred to the Committee on the Judiciary.

Mr. WILLIS presented a petition of sundry members of the Urbana Manufacturers' Association, of Urbana, Ohio, praying for the adoption of the so-called Mellon plan of tax reduction, which was referred to the Committee on Finance.

He also presented telegrams in the nature of memorials from officers of shop crafts (representing about 650 men employed by the Norfolk & Western Railway Co.), of Columbus, and from officers of shop crafts (representing some 1,800 employees of the Norfolk & Western Railway Co.), of Portsmouth, in the State of Ohio, remonstrating against the passage of the so-called Howell-Barkley railway labor bill, which were referred to the Committee on Interstate Commerce.

Mr. JONES of Washington presented a memorial of members of the Woman's Christian Temperance Union of Deming, Wash., remonstrating against the passage of legislation to modify or weaken the prohibition law, which was referred to the Committee on the Judiciary.

He also presented a memorial of sundry citizens of Spokane, Wash., remonstrating against the passage of legislation imposing a 10 per cent luxury tax on radio apparatus, sets, and parts, which was referred to the Committee on Finance.

He also presented a petition of sundry citizens of Thurston County and vicinity, in the State of Washington, praying an amendment to the Constitution regulating the labor of persons under 18 years of age, which was referred to the Committee on the Judiciary.

He also presented a resolution adopted by Okanogan Chapter No. 113, Order of the Eastern Star, of Okanogan, Wash., favoring an amendment to the Constitution regulating child labor, which was referred to the Committee on the Judiciary.

Mr. PEPPER presented the memorial of the Philadelphia (Pa.) Board of Trade, remonstrating against the passage of House bill 7358, to provide for the expeditious and prompt settlement, mediation, conciliation, and arbitration of disputes between carriers and their employees and subordinate officials, and for other purposes, which was referred to the Committee on Interstate Commerce.

He also presented the memorial of the Philadelphia (Pa.) Board of Trade, remonstrating against the passage of House bill 2702, to relieve unemployment among civilian workers of the Government, to remove the financial incentives to war, to stabilize production in Federal industrial plants, to promote the economical and efficient operation of these plants, and for other purposes, which was referred to the Committee on Naval Affairs.

Mr. FLETCHER presented memorials of sundry citizens of Fort Pierce, Tampa, Jacksonville, Miami, Atlantic Beach, and Orange Park, all in the State of Florida, remonstrating against the passage of legislation imposing a 10 per cent luxury tax on radio apparatus, sets, and parts, which were referred to the Committee on Finance.

REPORTS OF COMMITTEES

Mr. BALL, from the Committee on the District of Columbia, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

A bill (S. 3016) to enable the Rock Creek and Potomac Parkway Commission to improve the parkway entrance (Rept. No. 482);

A bill (S. 3077) to amend the act of Congress approved March 4, 1913, creating the Public Utilities Commission of the District of Columbia, and for other purposes (Rept. No. 483); and

A bill (H. R. 6628) to change the name of Jewett Street west of Wisconsin Avenue to Cathedral Avenue (Rept. No. 484).

Mr. CAPPER, from the Committee on Claims, to which was referred the bill (S. 893) for the relief of John H. Rheinlander, reported it without amendment and submitted a report (No. 485) thereon.

Mr. BAYARD, from the Committee on Claims, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

A bill (S. 149) for the relief of Almeda Lucas (Rept. No. 486); and

A bill (S. 367) for the relief of James W. Laxson (Rept. No. 487).

Mr. PEPPER, from the Committee on the Library, to which was referred the joint resolution (S. J. Res. 87) authorizing the erection of a flagstaff at Fort Sumter, and for other purposes, reported it without amendment.

He also, from the same committee, to which was referred the joint resolution (S. J. Res. 73) providing for the appointment of a commission for the purpose of erecting in Potomac Park, in the District of Columbia, a memorial to those members of the armed forces of the United States from the District of Columbia who served in the Great War, reported it with an amendment.

Mr. ODDIE, from the Committee on Post Offices and Post Roads, to which was referred the bill (S. 1051) to authorize and provide for the payment of the amounts expended in the construction of hangars and the maintenance of flying fields for the use of the Air Mail Service of the Post Office Department, reported it with amendments and submitted a report (No. 488) thereon.

Mr. McKINLEY, from the Committee on Public Buildings and Grounds, to which was referred the bill (S. 3181) to authorize an appropriation to enable the Director of the United States Veterans' Bureau to provide additional hospital facilities, reported it without amendment and submitted a report (No. 489) thereon.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WALSH of Massachusetts:

A bill (S. 3215) providing for the appointment of certain field clerks, Quartermaster Corps, whose military service during the World War prevented their appointment; to the Committee on Military Affairs.

By Mr. SHORTRIDGE:

A bill (S. 3216) granting permission to Col. Harry F. Rethers, Quartermaster Corps, United States Army, to accept the gift of a Sevres statuette entitled "Le Courage Militaire," tendered by the President of the French Republic; to the Committee on Military Affairs.

By Mr. PEPPER:

A bill (S. 3217) granting an increase of pension to Isabel M. Quackenbush; to the Committee on Pensions.

By Mr. JONES of Washington:

A bill (S. 3218) to secure Sunday as a day of rest in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

FEDERAL RECLAMATION BY IRRIGATION (S. DOC. NO. 92)

On motion of Mr. McNARY, it was

Ordered, That the order to print as a Senate document the message of the President of the United States, with accompanying report and illustrations, relative to the necessity of revising the present reclamation law, transmitted to the Senate on April 21, 1924, be rescinded, and that the said message and accompanying report be printed without the illustrations.

AMENDMENTS TO TAX REDUCTION BILL

Mr. WALSH of Massachusetts submitted sundry amendments intended to be proposed by him to House bill 6715, the tax reduction bill, which were ordered to lie on the table and to be printed.

REDUCTION OF TAXATION—AGRICULTURAL EXPORT COMMISSION

Mr. NORBECK submitted an amendment intended to be proposed by him to House bill 6715, the tax reduction bill, which was ordered to lie on the table and to be printed.

HOUSE BILL REFERRED

The bill (H. R. 6357) for the reorganization and improvement of the foreign service of the United States, and for other purposes, was read twice by its title and referred to the Committee on Foreign Relations.

LANDS ON THE FORT HALL INDIAN RESERVATION, IDAHO

The PRESIDENT pro tempore laid before the Senate the amendments of the House of Representatives to the bill (S. 2902) authorizing the acquiring of Indian lands on the Fort Hall Indian Reservation, in Idaho, for reservoir purposes in connection with the Minidoka irrigation project, which were, on page 2, line 10, after the word "enactment," to insert: ", in so far as such uses shall not interfere with the use of said lands for reservoir purposes"; on page 3, line 1, to strike out all after "reservoir" down to and including "both," in line 4, page 3; on page 3, line 6, to strike out all after "annum" down to and including "prescribe," in line 8, page 3; on page 3, line 17, to strike out all after "be" down to and including "States," in line 18, page 3, and insert: "taken from moneys appropriated for the construction of said reservoir and deposited in the Treasury of the United States"; on page 3, line 19, to strike out all after "Indians" down to and including "prescribe," in line 21, page 3; and on page 3, line 22, to strike out all after "That" down to and including "use," in line 23, page 3, and to insert: "there is hereby authorized to be appropriated."

Mr. CURTIS. I move that the Senate concur in the amendments of the House.

Mr. McKELLAR. What is the bill?

Mr. CURTIS. It is a bill to provide for the condemning of certain Indian lands for reservoir purposes at a price of $750,000, the money to be put into the Treasury to the credit of the Indians. The only amendments made, and the members of the committee agreed to them, were, first, allowing the Indians to use the condemned land if it does not interfere with reservoir purposes; and, second, instead of appropriating or taking all the money directly out of the Treasury, an appropriation of only $100,000 is made.

Mr. KING. May I say to the Senator that I received a letter from some person who claimed to be advised that there is one appropriation—and not being a member of the Committee on Indian Affairs, I am not familiar with it—which calls for the payment, my recollection is, of only $50,000 for the condemnation of a reservoir or right of way across certain lands.

Mr. CURTIS. This is to condemn certain Indian lands for reservoir purposes and pay the Indians $750,000. If the Senator has any question about it, I will let it go over until to-morrow.

Mr. KING. It may be another matter. My recollection is that the inquiry I have was with reference to a transaction in one of the Dakotas.

Mr. CURTIS. This is in Idaho.

Mr. KING. Very well.

The PRESIDENT pro tempore. The Senator from Kansas moves that the Senate concur in the amendments of the House.

The motion was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7959) to provide adjusted compensation for veterans of the World War, and for other purposes.

INSTALLATION OF RADIO DEVICES IN SENATE CHAMBER

Mr. REED of Missouri obtained the floor.

Mr. HOWELL. Mr. President——

Mr. REED of Missouri. Does the Senator from Nebraska desire to introduce a bill?

Mr. HOWELL. I merely wish to ask unanimous consent for the consideration of a resolution which has been reported out of the Committee on Rules and which merely asks for information. As the committee has had the resolution under consideration for a month, and it has now been reported out, I thought possibly it might be considered at this time.

Mr. REED of Missouri. If it will require no discussion, and is agreeable to the Senator in charge of the pending measure, I shall yield to the Senator for that purpose.

Mr. SMOOT. I have no objection to the consideration of the resolution if it will not require any discussion.

Mr. HOWELL. I ask unanimous consent for the present consideration of Senate Resolution 197. The resolution was introduced by me about a month ago, and asks for certain information from the Navy and War Departments respecting the installation of radio devices. The resolution was referred to the Committee on Rules, and that committee has reported it out with certain amendments, which are generally agreeable to Senators. I now ask that the resolution be considered, and hope that the information for which it asks may be requested.

The PRESIDENT pro tempore. The Senator from Nebraska asks unanimous consent for the present consideration of the resolution to which he has referred. Is there objection?

Mr. SMOOT. Mr. President, I shall have no objection provided the resolution does not lead to any discussion. If it shall do so, I shall ask the Senator from Nebraska to withdraw the request.

The PRESIDENT pro tempore. The Chair hears no objection to the consideration of the resolution.

The Senate proceeded to consider the resolution (S. Res. 197) submitted by Mr. HOWELL on March 27, 1924, which had been reported from the Committee on Rules with amendments, on page 1, line 2, after the word "hereby," to strike out "directed" and to insert "requested"; on the same page, after the word "Senate," in line 13, to strike out "and the House of Representatives"; and on page 2, after line 5, to strike out:

Resolved further, That such commission also be requested to recommend a limited area of the country that for experimental purposes be

initially afforded such broadcasting of the proceedings of Congress to the end of determining the advisability of extending such service to cover the entire country; such report to include the cost of such experimental installation, together with the expense of maintenance and operation thereof.

So as to make the resolution read:

Resolved, That the Secretary of War and the Secretary of the Navy be, and are hereby, requested to cooperate in the appointment of a joint commission of radio experts from the War and Navy Departments to investigate and report to the Senate upon the following problems, to wit:

First. The equipment of the Senate Chamber with electrical transmission and receiving apparatus such that without defacing the Senate Chamber each Senator at his desk may individually and clearly hear, without the use of a head receiver, the proceedings of the Senate at all times in whatever tone of voice conducted.

Second. The additional equipment necessary for the broadcasting by radio of the proceedings of the Senate throughout the country, utilizing the radio stations of the War and Navy Departments.

The report of said commission to include the estimated cost of installation, maintenance, and operation of the proposed systems suggested in paragraphs 1 and 2 hereof.

The amendments were agreed to.

The PRESIDENT pro tempore. The question is on agreeing to the resolution as amended.

The resolution as amended was agreed to.

CONTINGENT EXPENSES OF THE SENATE FOR FISCAL YEAR 1924

Mr. WARREN. From the Committee on Appropriations I report a joint resolution making appropriation for contingent expenses of the United States Senate, fiscal year 1924, and I ask unanimous consent for its present consideration. When the joint resolution shall have been acted on I shall take a moment or two of time to explain the situation which renders the immediate passage of the joint resolution necessary.

The PRESIDENT pro tempore. The Senator from Wyoming asks unanimous consent for the immediate consideration of the joint resolution, which the Secretary will read.

The joint resolution (S. J. Res. 119) making appropriation for contingent expenses of the United States Senate, fiscal year 1924, was read the first time by its title and the second time at length, as follows:

Resolved, etc., That the sum of $100,000 is hereby appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year 1924, for expenses of inquiries and investigations ordered by the Senate, including compensation of stenographers to committees at such rate as may be fixed by the Committee to Audit and Control the Contingent Expenses of the Senate, but not exceeding 25 cents per hundred words.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the joint resolution.

The joint resolution was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

Mr. WARREN. Mr. President, I desire to call the attention of the Senate for a moment or two to the condition of the contingent fund of the Senate and to the demands made upon it. Of course, it is needless for me to say that we are appropriating enormous sums for contingent expenses compared with those of former times. The money has to come from the Treasury upon appropriations passed by both Houses, but the Senate itself, of course, gives orders on its contingent fund and it is drawn upon from time to time.

There are a number of committees engaged in various investigations, doing their work and incurring expenses which have to be met, and some of those committees no doubt will be live committees during the recess. The Committee on Appropriations desires to know before Congress shall adjourn what may be the expectations as to expenditures of such various live committees which will carry on their work during the recess.

The expenses of the special committee to investigate the Veterans' Bureau, as I understand, have been paid, and that committee has closed its work; but the original appropriation of $20,000 for that committee fell short some $25,000 of meeting its expenses. The people to whom money was due on account of the activities of that committee had to wait until Congress assembled in the fall for their payment. That, perhaps, is all right in the case of attorneys who are employed, but in cases where witnesses and others are brought from long distances and transportation has to be paid, as well as per diem allowances, the amounts ought to be covered at once.

There are at present nine different committees which are drawing upon the contingent fund from time to time, or have been drawing upon it, in connection with the pursuit of investigations, and they have cost so far $325,000. We hope that the $100,000 appropriated in the joint resolution which has just been passed will cover such expenses until the 1st of July, although there is some reason to doubt that it will.

The estimate for next year for the contingent fund is but $200,000. The lowest cost of any of the investigating committees to which I have referred is nearly $4,000 and the highest cost is over $56,000. At least three of these committees are each expending somewhere between five and ten thousand dollars a month.

I shall ask in this connection to have printed in the RECORD a statement showing the expenditures made in connection with nine of the principal investigations conducted by the Senate from March 4, 1923, to April 16, 1924. In the meantime I should like to inform the various investigating committees that the Committee on Appropriations would like to have from them before we adjourn an estimate, as nearly as one can be made, of what amounts they will require in order to carry their work to a conclusion or until Congress shall again meet.

Of the nine committees on the list which I submit, six of them are living committees—that is, are still in action—while three of them are what may be called "dead" committees; but there are a quite large number of other authorizations for other investigations, the expenses in connection with which have not as yet commenced. As to some of these authorizations, no limit of time has been placed, while as to others there has been a time limit. For instance, the committee investigating the causes of the decrease in the production of gold and silver, as I recall, had authority to proceed through the Sixty-seventh and Sixty-eighth Congresses, but in other cases such a provision is not made. The work of the gold and silver investigating committee has cost thus far $56,409.86, and they are expending about $4,500 a month; so that we can calculate on that amount, perhaps, if it shall be necessary for them to pursue further investigations. As to some of the other investigating committees, I think the only ones who can estimate the probable future expenses are the various chairmen.

Mr. President, with that explanation, I ask that the paper I send to the desk may be printed in the RECORD.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

The paper referred to is as follows:

Expenditures made in connection with the principal and more extensive investigations conducted by the Senate from March 4, 1923, to April 16, 1924.

Investigation	Clerical salaries and expenses	Counsel fees and experts' salaries	Expenses of witnesses	Stenographic reporting	Miscellaneous expenses	Total
Naval oil reserves (Tea Pot Dome, etc.)	$3,111.44	$11,718.75	$8,570.09	$4,790.90	$23.26	$32,808.03
Problems of reforestation	6,300.63		39.80	2,601.40		8,941.83
Veterans' Bureau	8,820.38	30,950.00	667.03	5,137.55	327.71	45,902.67
Gold and silver (causes of decrease in production)	27,641.31	20,282.50	(1)	1,721.25	2,308.64	56,409.86
Nine-foot channel from Great Lakes to Gulf of Mexico	9,292.39			999.20		10,291.59
Election of a Senator from Texas in 1922 [2]						37,096.18
Alleged official misconduct of Attorney General Daugherty	1,760.35	520.83	4,348.93	1,638.45	27.15	13,419.07
Rental and housing conditions in the District of Columbia [3]						5,976.46
Investigation of indictment of Senator Wheeler						3,814.38

[1] No attorneys.
[2] Collection, care, and counting of ballots.
[3] Services of special investigators and assistants and their expenses.

Mr. WARREN. I thank the Senator from Missouri for yielding me the time.

TAX REDUCTION

Mr. SMOOT. I ask that the unfinished business be laid before the Senate and proceeded with.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 6715) to reduce and equalize taxation, to provide revenue, and for other purposes, the pending question being on the amendment of the Committee on Finance to strike out on page 52, after line 18, the following paragraph:

(c) The amount of the deduction provided for in paragraph (2) of subdivision (a), unless the interest on indebtedness is paid or incurred in carrying on a trade or business, and the amount of the deduction provided for in paragraph (5) of subdivision (a) shall be allowed as deductions only if and to the extent that the sum of such amounts exceeds the amount of interest on obligations or securities the interest upon which is wholly exempt from taxation under this title.

Mr. REED of Missouri. Mr. President, the last thing any government can afford to do is to break its contracts. It can not afford to break its contracts either in letter or in spirit; and the breach of a contract is not relieved from its enormity by the fact that some subterfuge may have been devised which will enable the doing of a particular act in a manner which avoids the technical legal obligation.

The States of the Union, the municipalities thereof, and the Federal Government, have from the first issued securities which were exempt from taxation. The exemption from taxation is as much a part of the obligation as is the promise to pay. These securities have been sold in the market upon the faith of the various governmental agencies that the debt will be paid, and that the securities will not be taxed.

It is now proposed by an artifice to breach that contract, and to place the United States Government in the position of saying, notwithstanding its obligation and despite its solemn agreement, that it proposes by a trick, a device, to circumvent and avoid the plain intendments of the obligations assumed by the Government.

To say in one breath that a security shall remain untaxed, and in the next breath that deductions shall be allowed on general taxation, but that if a citizen shall hold tax-exempt securities the extent of the reduction shall be diminished by the interest on the obligations of the Government which he holds, is only another way of saying that a tax shall be levied upon these securities.

Mr. President, an individual who would resort to that sort of device to escape the terms of his obligations would be a dishonest man, and he would not be able to maintain his standing either in financial or business circles; and he would be the most foolish of individuals, for he would write across his own name and character the word "dishonor," and he would in advance dishonor every obligation he might thereafter issue; for every man thereafter purchasing his obligations would know that he was dealing with a rogue who would escape payment if he could possibly conceive of any device or design that would enable him to breach the terms of his contract.

If this Congress should pass the bill in the form it was brought to the Senate, this Congress would prove itself capable of repudiating the contracts of the Government, would place itself on a par with those governments of Europe which have sought to repudiate the debts of their predecessors, and it would do so with less excuse. There may be some sort of moral ground afforded for a revolutionary government which has overthrown a preceding government which it claims was oppressive and unjust to repudiate the obligations of that preceding government. Of course, neither I nor any other man pretending to be honest will sanction such a doctrine; but there would be more justification for it than there can possibly be for this Government in a time of profound peace, and with no other motive than to collect a little tax, to repudiate the obligations heretofore made by the Government.

Mr. President, the Senate convened this morning and then proceeded to adjourn one at a time. I am, therefore, going just briefly to state my reasons for supporting the motion to strike out this provision of the bill, and I shall not try to argue it, because there are in the Senate Chamber now, I think, 9 Senators all told, perhaps 10. I am not criticizing——

Mr. SIMMONS. Mr. President, if the Senator will pardon me, I should like to say in this connection that in my mind there is no more important proposition involved in this bill than the one which the Senator is now discussing. As the country has come to understand what it means there is great interest in it outside of this Chamber, although there does not seem to be much inside of the Chamber. I have felt myself in discussing the matter—I have addressed myself to it twice—that it was highly important, even if we could not succeed in accomplishing our purpose, to let the country understand what the bill proposes to do with respect to this question.

Mr. HARRELD. Mr. President, will the Senator yield?

Mr. REED of Missouri. Certainly.

Mr. HARRELD. I feel that I ought to say, in defense of those who are not here, that I think it is a bad practice to have the Senate begin at 11 o'clock a. m. every day.

Mr. SIMMONS. It has seemed to me to be so.

Mr. HARRELD. Because these committees are grinding so that Senators are all in committee meetings at this hour, and we can not get them here. I know from my own experience that I have been at two committee meetings this morning, and just had to pull away from them to get here; and I want to protest against the 11 o'clock sessions.

Mr. SIMMONS. The Senator is entirely right about that. I am perfectly willing to come here at 11 o'clock; but we threw away the hour that we attempted to save yesterday, and I think it is just for the reason that the Senator gives. There are a great many committees that are now hard at work, because they are anxious to get their bills before the Senate in order that we may take them up and consider them rapidly. The general feeling is that we want to get away from here as soon as possible, and the committees are working to that end. They are considerably behind. The time taken up in these investigations probably put them a little behind, and they are now trying to catch up, and I think this hour is devoted to that purpose.

Mr. REED of Missouri. Mr. President, of course I am making no complaint. I am simply saying this by way of explanation of the fact that I do not intend to argue the pending bill at length, and I am cutting my remarks short because there are so few Members in attendance; and I fully appreciate the fact that it is neither discourtesy to me nor, perhaps, lack of interest in the bill. I think these unusual hours of meeting are always a mistake. We might save some time in the Senate if Senators could refrain from injecting bitter, partisan political speeches into the RECORD, and then bringing forward partisan replies, and having a sort of a joint debate regarding what somebody said at some other place. We might save some time in other ways. We are now approaching the time when the Senate will desire to adjourn, and we are doing what we have always done; we are making haste on important measures, having thrown away a vast amount of time in discussing unimportant measures in the early part of the session.

The matter that is now before us is important. It has been perhaps sufficiently discussed, however, by men much abler than myself. I was asked to make some remarks upon it, and I shall endeavor to bring what I have to say to a speedy close.

I have already said that this is an attempt at the repudiation of an obligation. No candid man can examine the bill without knowing that to be the case; and it is simply appalling that any single Member of either House of Congress could ever have induced himself to introduce a bill having for its purpose the repudiation of any part of any obligation that his Government had taken, and it is still more appalling that the bill in that form should have passed one of the Houses of Congress.

I say, however, that in all probability it passed the House of Representatives without the attention of the Members being particularly challenged to the bald attempt at breach of contract and repudiation of obligations which the measure contains. Nor is there anything substantial to be gained even of a temporary nature by this attempted repudiation. The excuse offered is that there are certain individuals or companies possessing very large fortunes and making very large profits, and that some of these institutions or individuals, in the desire to escape heavy surtaxes, have resorted to the device of investing their money in the so-called tax-exempt securities of the Government or of the various political divisions of the country, and that in order to stop that practice we should resort to this device, so that in fact we would levy a tax upon securities which were nontaxable. Suppose what I have said is an accurate statement of the facts.

The first thought occurring to any person ought to be that the penalties of the bill are visited upon the ordinary investor, just as they will be visited upon the few individuals or corporations engaged in the practice to which I have referred. These bonds of the United States are held even to-day, I have no doubt, by hundreds of thousands of people, and because a few individuals or corporations may be investing their money in tax-exempt securities in order to avoid the higher brackets of the tax bill, it is proposed to breach our contract with

every man, woman, and child in the United States who ever bought a Government bond.

It is proposed, in my judgment, to do a thing we can not do; to impose by this indirect method a tax upon the securities issued by the sovereign States of this Union and by the municipalities and subdivisions thereof. I should be very much disappointed in our courts if they did not, under the rule that has been announced in several cases in the last year, look behind the pretense of the law to its real purpose and, having ascertained that the purpose is violative of the Constitution, to declare the law itself unconstitutional and void. That was the doctrine laid down in the Nebraska case, where it was sought to prohibit the teaching of a certain language under the claim that it was a police regulation for the benefit of the health of the child. The fact was it was a law born in the hatred of somebody's heart for a particular race of people, and it was intended to prohibit teaching the language of that people. The Supreme Court looked back of its declared purpose and destroyed it.

Likewise, in several other cases our Supreme Court has adopted the rule that when the real purpose of an act is something different from the pretended excuse for the act the court will determine the validity of the act by its real purpose and intent, instead of determining it by looking at the language of the act, as under the old rule, which was laid down first, I believe, in the State bank tax cases, followed afterwards in other cases.

I do not desire to spend more time upon that phase of this question. I invite the Senate's attention to the broader question which is involved in this amendment, namely, the attempt being made to entirely do away with tax-exempt securities. More confusion has been caused in this world by the use of improper descriptive terms or names than by almost any other reason. These so-called tax-exempt securities are the only securities that are never exempt from taxation. The tax-exempt securities, so called, ought to be described as securities which pay the tax at the source and pay it every year and never escape it.

Here are two classes of securities being issued. One is the security of the corporation or individual, which is taxable. That security brings 6 or 7 per cent, and the corporation out of its coffers, or the individual out of his pocket, must raise the money every year to pay the 6 or 7 per cent interest. Here is another class of securities, issued by the State or by the Federal Government and not taxable, and they bring in normal times 3½ or 4 per cent interest, because the governments do not levy any tax upon them. The man who buys the 6 or 7 per cent security has added the amount of the tax he may have to pay to the interest which he has charged, and he collects it every year from his debtor and pays his taxes out of it, if he can be caught by the assessor. The man who buys the 3½ or 4 per cent security because it is untaxed has cut his rate of interest to a greater extent than the tax will ever amount to, and that amount of money which he thus has discounted remains in the Public Treasury in place of the tax which otherwise would have to be levied.

I can illustrate that. Let us assume a $100,000,000 tax levy of the State of Missouri for road purposes. This is purely an illustrative statement I am making. If the securities were to be taxed, that State would be obliged to pay at least 6 per cent to get its money, and it would therefore be forced to collect $6,000,000 every year from the taxpayers to pay the interest. Then the State of Missouri might get part of it back out of taxes it levied on the securities, and it might not.

On the other hand, if those securities are tax exempt and are sold at 4 per cent, there is collected from the taxpayer to pay that interest only $4,000,000, and that leaves $2,000,000 in the treasury more than would be there under the other arrangement. So that under the 6 per cent arrangement, where the taxes are to be levied, what is done is this: For the sake of levying a tax upon these securities to the extent of a much smaller sum than the difference, which I will show in a moment, they resort to the levying of taxes upon all the people to the amount of $2,000,000 in the illustration I have given. The tax which would ordinarily be paid upon an income of $6,000,000 would be $174,817, the expert informs me. The tax that is saved to the State by sending out what is called a tax-exempt security would be $2,000,000. The difference against the State is $1,825,000, which would be the result of adopting the new-fangled notion.

I do not know whether I have stated that very well or not. If a State issues $100,000,000 of tax-exempt securities at 4 per cent interest, which the taxpayers must raise, they pay every year $4,000,000. If those securities are taxed, the State will have to pay 6 per cent, or $2,000,000 more, which the taxpayers must every year take out of their pockets and turn over to the man who buys the security.

Suppose we assume that he paid his taxes on all those securities and paid back the whole of the $2,000,000 in taxes; the State would gain nothing, but, as a matter of fact, on the ordinary income the tax he would return to the State or to the Government would not equal more than 10 per cent of the $2,000,000 which the State is obliged to pay in excess over the amount it would pay if it sold its securities as tax exempt. The proposition is simply monstrous when you come to consider it in that way. What would be thought of an individual who provided that his own note should bear some heavy burden, that he himself would pay that burden, and then think he was getting rich by that sort of a device?

Mr. President, there is another phase of this matter. Let us assume the case of the State of Missouri again. It issues a 6 per cent security which is taxed. The people of the State of Missouri must collect $6,000,000 every year from their taxpayers to pay that interest. They send that interest to the holders of those securities. If that gentleman lives in England or outside the United States he may wholly escape any tax upon those securities. If he lives in a State where the taxes are very light, and he generally goes to that sort of a State, he escapes a large part of his taxes. But if he goes to any other State and holds the securities, the taxes are paid in the State of his location, and consequently they do not come back to the State of Missouri, yet the people of Missouri must pay the additional $2,000,000 every year because some gentlemen undertake to repudiate the obligations that have ordinarily existed in cases of this kind.

Illustrations can be multiplied, and I could stand upon the floor of the Senate by the hour and produce them, but the cold fact of the matter is that when we put a tax upon the securities of the Government we simply increase the rate of interest by that amount and take out of the taxpayer's pockets the money with which to pay that increased interest, and then there are some people foolish enough to think that we can get rich by taxing the people who own the securities to get back the taxes that we have already taxed the people to pay for the additional interest on the securities. That is about the last word in idiocy, if idiocy can have a last word.

Mr. KING. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Missouri yield to the Senator from Utah?

Mr. REED of Missouri. I yield.

Mr. KING. Does not the Senator see a difference between a direct tax on tax-exempt securities or an attempt to impose a tax upon tax-exempt securities—either by the State, for instance, or by the Federal Government, and we are dealing now, of course, with the Federal Government—and a provision in the law which merely says that a taxpayer may not use the income derived from his tax-exempt securities for the purpose of diminishing his gains or for the purpose of deducting from his gain which would be subject to taxation, and a provision which, putting it in the alternative, in effect says that he may not use tax-exempt securities for the purpose of going into the field of speculation to enable him in those speculative ventures to protect himself against losses that he may sustain in connection with his activities?

Mr. REED of Missouri. The Senator has made his question so long and so complicated and injected so many conditions into it that it is hard to answer it either directly or indirectly.

I see nothing in this measure except an attempt to take away from tax-exempt securities the benefit of their exemption under certain particular cases; in other words, to breach the contract to that extent. That is the purpose and the fraud so badly perpetrated that it would not even need a court of equity to set it aside because it is apparent upon its face and it would be disregarded in a court of law. That is the purpose. Somebody sat down and thought he had devised a scheme that would work out the end, and yet that he could go around the law and cover his tracks in a way so that he could deny to tax-exempt securities the full benefit of the exemption. That is the purpose. There is no escape from it. So far as I am concerned, I do not propose to be a party to ever writing a bill or ever passing a bill and making it a law that undertakes to repudiate by one jot or tittle, by one hair's weight, any obligation the United States Government assumes.

Mr. President, there is another phase of the matter to which I shall refer very briefly, and that is the cry that has been put forward that all of the money of the country is being put in tax-exempt securities and that all the rich men of the country are putting their money away in that form to escape taxes. As I have already shown, when a man buys a 4 per cent

obligation when the money market is 6 per cent and buys it at 4 per cent because it is tax exempt, he is paying his 2 per cent taxes in the purchase price, for the public that pays the taxes to pay the interest is relieved of the taxes to the extent of the difference between the tax-exempt interest and the interest that is levied upon ordinary securities.

Mr. President, what is there in all that talk? The public of the United States, the people of the United States, through their Federal Government, through their State governments, and through their various municipal governments, desire to borrow money and they borrow in the form of public bonds. They want to sell those bonds at as low a rate of interest as possible in order that their taxes to pay their interest shall be as small as possible. Now it is baldly proposed—not in this particular amendment, but the proposition is akin to this amendment and embraces it—that the people of the United States and of the various States and municipalities shall deny to themselves the opportunity to sell their securities at a low rate of interest. Who would gain anything by that? Certainly not the taxpayer, because the man who buys a security and buys it at a low rate of interest must pay or suffer the loss incident to that low rate of interest every year. He never escapes. The man who buys a 50-year bond at 3 per cent interest when the market is 6 per cent for taxable money pays every year his 3 per cent into the public treasury because he saves the taxpayer paying 6 per cent as he otherwise would be obliged to pay. So the public is not going to gain anything.

Who will gain? Who is back of this propaganda? Every big trust company in the United States that wants to loan money at 6 per cent would be very glad indeed if its rival, the State or the Government, was obliged to charge 6 per cent, but if the Government or the State can sell its securities at 3½, 4, or 4½ per cent, some of the money will be obtained by the Government at these low rates, and to that extent there will be a lack of money to buy the higher securities. The Government is a dangerous and bad rival for the gentlemen who have vast sums of money which they want to loan or want to invest. They would like to remove that rivalry and get the foolish Government to vote away the little advantage it now has in the matter of the issuance and sale of its own securities. This movement is not intended merely to affect the securities of the Federal Government, but every big loan company in the United States would like to see a condition created whereby no municipality, no State, nor the Government itself, would get its money in any better market than these great loan companies afford. That is the long and the short of the whole business. That is why this agitation. It never would be heard of otherwise.

Now, let me make one further remark. Suppose that it does happen that a few great capitalists put their money into tax-exempt securities and escape the highest brackets of the tax law. They at least have afforded a market and a ready market for the securities of the various States and municipalities. The better that market is, the better prices the bonds will bring and the lower the rate of interest will be. I am in favor of promoting that kind of a market, because it is one case where direct benefits flow directly to the people of the States and of the municipalities and of the United States.

How do we come to hear that argument from the particular voice that is now advancing it? We hear it from Mr. Mellon and Mr. Mellon's crowd of financial overlords. Mr. Mellon tells us that we should reduce the taxes upon the very large incomes, and in the same breath he gives as his reason that those large incomes are being invested in Government bonds. He wants their taxes reduced. What right has he, then, to complain if these gentlemen, in an effort to reduce surtaxes, do put their money in Government bonds? It is a forked-tongue argument. The truth is he wants to reduce the surtaxes upon those great incomes and then he wants to fix it so that the possessors of those great incomes may have an untrammeled field in which to loan their money and the Government be denied the right to go into that field to sell tax-exempt securities and get a decent rate of interest. That is the cold fact about this matter.

It is said that Mr. Mellon is one of the greatest financiers in the United States, and I think he is; but I do not want to follow blindly the advice of a man who knows as much about finance as does Mr. Mellon and whose private interests are so great that he can not help thinking of those private interests every time he writes a bill or makes a recommendation to this body. A man with his wealth and with his financial entanglements has no business to be Secretary of the Treasury, because his own interests are constantly pulling him in their direction. He has no more right to occupy that high position, under the law of this country as it stands, than has a judge to occupy the bench in a case where he has a financial interest. Senators may think they can Mellonize this country; he himself may think that he can Mellonize this country; but there is one melon he will not cut, and that is the American people at the next election.

I have no war in the world to make upon money; I have no war to make upon the institution that has gained great wealth and gained it honestly; I have no war to make upon any man because he has succeeded in financial ventures; but I insist that it is not right to put and keep a man at the head of the finances of the United States whose own interests are so large that every time he writes a tax bill he is trying to have the taxes reduced upon his own swollen fortunes and upon the swollen fortunes of his associates; and when we find him recommending measures here to take the taxes off the very great incomes we are warranted in concluding that he is thinking about his own fortunes and the fortunes of his associates instead of thinking about the interests of the entire country.

But, Mr. President, above everything else let us keep the faith. We issued these bonds, and I care not who holds them, let us keep the faith. When we issued them we made them fully negotiable. They can now pass from hand to hand; we knew they would pass from hand to hand. We sought to make them attractive to the investor. We wanted to get our money as cheaply as possible; therefore we said, "These obligations shall be forever exempt from taxation." Now it is proposed to deny to them the attributes and the qualities which every man who purchased them understood they would possess until the day of their final redemption. It is now proposed to single them out and to say that in certain instances the income derived therefrom shall not have the same benefits as the income derived from other securities. That is simply a crooked, fraudulent, scandalous thing for any nation to undertake. Any nation that does undertake it will soon find that its security has gone. No nation can afford to take it, for it will thereby lose more than it will gain.

Who is it to-day who does not know that Great Britain gained more than the total amount of money represented by the bonds which she issued to us in payment of her debt? She gained it in credit; she gained it in standing. While she drove a hard bargain and got a low rate of interest—a ridiculous rate of interest under the circumstances—nevertheless, she kept her contract, in the sense that she signed one which was accepted by us. In the end that will be worth more than the four and one-half billion dollars to Great Britain. I will ask the Senator from Utah [Mr. SMOOT] whether she is to pay us three and a half or four and a half billion dollars?

Mr. SMOOT. The amount of the principal of the British debt to us is $4,600,000,000.

Mr. REED of Missouri. Very well; that will do.

Mr. SMOOT. But she ultimately will pay $12,000,000,000 to us.

Mr. REED of Missouri. Yes; but she will escape the payment of $22,000,000,000, representing the difference between the interest she ought to pay and the interest she will pay us running through to the end of the term. But she signed up. France, however, will lose a great deal more than the amount that she owes us if she repudiates that debt, even if our Government is supine enough to wait forever and allow repudiation.

If England and France were to engage in a struggle tomorrow or next year, as they may—for they have been at war more than have any other two nations on earth—and if they desire to get money—and money it is that wins wars now—and they came to the United States or went to any other nation on earth to borrow money, which of them do you think would get the money—England, who at least measurably has kept her obligations, or France, who up to this date has repudiated her obligations? One would go into the money markets of the world with credit; the other would go into them with discredit. When one of them gave its obligation, it could get money, because the man who furnished the money would know he was going to get it back; the other could not get money, because there would be a grave doubt whether it ever would be returned.

So in this instance we have issued tax-exempt bonds, and have done so from the first. Any proposal to cut down or whittle away that obligation, or take from it so much as a hair's weight of its value, is unworthy of a great nation, and unworthy of a great body representing that great nation.

Mr. KING. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Missouri yield to the Senator from Utah?

Mr. REED of Missouri. I was about to yield the floor.

Mr. KING. I did not perhaps make myself very clear, because, as the Senator suggested, of the rather complicated

nature of the question which I asked a moment ago. I will put it in a more concrete form and ask again if the Senator does not see a distinction between an attempt to tax directly tax-exempt securities and to deny the right of deductions to tax-exempt securities? Suppose the Senator had an income of $50,000 a year from his practice—and his ability is worth four or five times that amount, of course—and that he had tax-exempt securities amounting to $1,000,000, and should take those tax-exempt securities and borrow $1,000,000 at 5 per cent. Under existing law, as I understand it, he would be permitted to deduct from his earnings of $50,000, upon which he would otherwise pay taxes, the entire amount of interest, which would in that case be $50,000, and he would escape all taxation. Then, of course, he would derive interest from the Government from the tax-exempt securities.

Mr. REED of Missouri. I do not understand that can be done.

Mr. KING. That can be done and is done.

Mr. SMOOT. It is done right along.

Mr. KING. And the House provision is aimed at the evils arising from that character of transaction.

Mr. REED of Missouri. Very well. There is no form of security that can be issued and no tax bill that can be drawn as to which somebody can not devise some sort of a scheme of that kind. If you want to reach that sort of a situation, do not reach it by attacking the obligations of your own Government; reach it by changing the law, so that a man, no matter what his securities may be, can not deduct any more than a certain percentage or a certain amount; but do not lay your hand upon a tax-exempt security and say, "We issued this security; we solemnly signed it and put it forth to the world, and we said that it should be exempt from taxation; that it was our obligation; but now we propose to say that as to our obligation we will discredit it by denying it the privileges and advantages which the obligations issued by a private corporation might have under the same circumstances." Do not say that. We can not afford to say that. Reach the evil in some other way. If there be such an evil as that spoken of, it is very easy to reach it in another way. I can sit down with a tax expert who will explain the minutia of this matter, and draw a measure that will meet it, and do it in 15 minutes after I have a thorough understanding of the details; and so can my friend from Utah.

No, Mr. President; let us keep our obligation; let us let it be said forever that when old Uncle Sam issues his note of hand and says that it is tax exempt and that it will be paid, it goes through this world with his faith and credit stamped upon it; and that means 100 per cent of principal, 100 per cent of interest, 100 per cent of tax exemption, 100 per cent of good faith by the only 100 per cent Government there is on earth.

Mr. ADAMS. Mr. President, what I have to say is really an inquiry of those in charge of the bill, with a suggestion, rather than any effort to make comment of any considerable extent.

I listened a few days ago with great interest to the speech of the senior Senator from Idaho [Mr. BORAH], in which he laid great stress upon the tax burdens of the farmer. He urged expedition in connection with the income-tax measure, and in part, at least, based his argument upon the farmer's condition. The farmers in my country have not seen a net income for so long that they would not recognize it if it came their way. Consequently, the farmer is not concerned with the income tax directly.

The particular provision which is under discussion in fact will operate to increase the burdens which are now upon the farmer. Those burdens which the farmer feels are the State taxes, the county taxes, the school taxes, and the district taxes of one kind and another. When you strike down the tax-exempt features of the bonds issued by those public corporations, you increase the taxes of this already overburdened part of our people.

So it seems to me that we ought to follow in good faith the suggestion of the senior Senator from Idaho and endeavor to work out this problem in a way that will accomplish first the purpose of the framers of this section. There are great evasions of income-tax payments by means of the borrowing of moneys on the part of men of large interests. The illustration given by the junior Senator from Pennsylvania [Mr. REED] the other day pointed it out clearly.

A rich man borrows $31,000,000. He pays on that sum $1,800,000 of interest. He deducts that from his net income. It so happens that his total net income from taxable securities and other sources is substantially the same as the amount of interest he paid upon his borrowings. The result was that he paid no income tax whatever. So far as normal taxes were concerned, he made practically no gain. The place where the Government lost was in connection with the surtaxes. In the absence of this borrowing this rich man probably would have paid 30 to 40 per cent in the way of surtaxes, so that he was saving 30 per cent or 40 per cent or even 50 per cent at a cost to himself of 5½ or 6 per cent. It is in that way, as I understand, that the Government loses. It is in the reduction of net income upon which surtaxes are calculated. I am correct in that, am I not?

Mr. REED of Pennsylvania. Substantially, that is so; yes.

Mr. ADAMS. So that so far as a man is concerned who is not paying surtaxes, he can not accomplish any substantial evasion of tax payments through the process of borrowing money.

Mr. REED of Pennsylvania. It is not worth while for a man who pays only the normal tax to do it, because the interest he pays is usually slightly in excess of the interest on the tax frees. It is worth while only for the man with the big surtax, which in the particular case I cited ran up to 50 per cent. An income of $1,800,000 is in the 50 per cent surtax class.

Mr. ADAMS. He is really in a position to save 44 per cent of that 50 per cent tax, practically; that is, the 50 per cent surtax, less the 6 per cent that he pays upon his borrowings, and he probably borrowed at a little less than 6 per cent.

The point I have in mind is substantially this: Throughout the United States are many men holding small amounts of Liberty bonds. The senior Senator from Utah [Mr. SMOOT] is in error, I think, in his statement that no one holding tax-exempt securities would at the same time borrow. I happen occasionally to see the interior of a couple of small banks in my community, and I know that perhaps 20 per cent, perhaps 30 per cent, of the notes in those banks are secured by Liberty bonds. The banks encourage their borrowers to hold Liberty bonds and to use them as collateral for their loans.

Mr. REED of Pennsylvania. Mr. President, will the Senator yield?

Mr. ADAMS. Certainly.

Mr. REED of Pennsylvania. The language of this amendment as it is drawn would apply only to the 3½ per cent Liberty bonds, because they are the only ones that are wholly tax exempt. It does not apply to the 4¼'s, because it uses the words:

> The interest upon which is wholly exempt from taxation under this title.

And the 4¼'s are not wholly tax exempt. The kind of bonds that the Senator has in mind are those held by the small investor. Almost without a single exception the small investor holds the 4¼'s. I am a director in a savings bank, too, where we lend millions of dollars on Liberty bonds as collateral, and there are thousands of just such cases as the Senator speaks of; but I have never known a single case where a small investor owned a 3½ per cent tax-free Liberty bond.

Mr. SMOOT. Mr. President, I was going to make the same statement that the Senator from Pennsylvania has made, but I will add this: I know that the bank of which I am president has not a single, solitary loan made upon a 3½ per cent tax-exempt security. I want also to add this, and I suppose it applies to the bank to which the Senator referred: Those notes in many cases have been carried the whole time since the purchase of those bonds for war purposes. I know that notes are held in the bank there on which the bank loaned the money for the very purpose of purchasing those bonds from the Government, but they are all the other bonds, which are not wholly tax exempt.

Mr. ADAMS. Mr. President, I puzzled over the clause called to my attention, the matter of their being "wholly exempt from taxation under this title." I felt that, perhaps, that was the intention of it, but to me it is not absolutely beyond question that that would be the interpretation of the clause. I have had some experience with the interpretation placed upon tax matters in the department, and notwithstanding the Supreme Court of the United States has frequently declared that the benefit of all questions of doubt shall be given to the taxpayers, I know, as a matter of fact, that the benefit of the doubt is given to the Government, and the instructions to the collector in the past, at least, have usually been "get the money," and the taxpayer is advised that if the construction is unfavorable to him he can seek recourse by an appeal to the department or by some other proceeding. I am afraid that this language, "wholly exempt," is open to that construction. If you mean the 3½ per cent bonds, it is very easy to describe that particular issue of bonds definitely in this amendment.

Mr. SMOOT. Mr. President, I want to say to the Senator, and I think it will quiet his apprehensions on the matter, that these are the exact words of the existing law. The ruling of

the department has already been that this language applies only to the wholly tax-exempt bonds, the 3½ per cent bonds that the Government issues.

Mr. REED of Pennsylvania. And, of course, the municipals.

Mr. SMOOT. And, of course, the municipal bonds. I am speaking now of the Government issues.

Mr. ADAMS. I feel, however, that there is in this section a discrimination which is unfair, and which ought not to be made. Assuming that the limitation is as is suggested, I do not understand why the man who holds the bonds and who is not compelled to borrow, or who does not for any reason wish to borrow, should be given an exemption which is denied to the man who does borrow; that is, under conditions where the borrowing is in good faith and not for the purpose of evasion. That is, you are drawing a line on one side of which the holder of this bond is given the benefit of the deduction privileges, and on the other side it is denied to him, and that is solely because of his own personal financial necessities. You deny it to the man who, perhaps, has been compelled to borrow for his personal uses.

Take my community; take, for instance, my own case. I have a very few of these bonds laid in a safe-deposit box, so that if something should happen to me and my family should be in need of something there would be an available source of ready money. Bonds of this character are one of the best forms of providing a fund to meet the emergency which comes to a family when the man who ordinarily looks after them is stricken down. Like many others, I am compelled from time to time to borrow. I do not go to this small group of bonds and selll them in order to get that money, but I hold them intact for my own personal purposes. I may be exercising bad judgment in doing that, but I have the right to make that election in my own personal business.

Mr. REED of Pennsylvania. Mr. President, would the Senator mind saying whether those are 3½ or 4¼ per cent bonds?

Mr. ADAMS. I have a few of both.

Mr. REED of Pennsylvania. Of course, this would not apply at all to the 4¼'s.

Mr. ADAMS. My holdings were so small that I did not take the trouble to have them converted. I was not concerned with the interest feature, frankly; but I do feel, to go back of that, that there is another group of bonds that ought to be considered in this connection, and those are the bonds of the State, of the county, of the municipality, of the water district, and of the school district.

As I understand, the amount of those bonds outstanding is far greater than the amount of these particular 3½ per cent bonds, so that you are seeking to take away from the holder of the bonds of the State and its subdivisions this right of deduction for income-tax purposes. I think that so far as they are handled in good faith, that ought not to be done. I have in mind, apparently, two conflicting purposes. One is to do justice to the man who owns these securities in good faith for his own purposes, and the other is to prevent the abuse of this privilege by the man who uses them to evade the surtax; and my suggestion, Mr. President, is this:

If those who are sponsoring this particular clause are willing to limit the application of this clause to surtaxes, they can do so by assimilating the section to the provisions which we have already put into effect governing dividends from corporations as to deductions for income-tax purposes. We say that dividends received from a corporation are deductible so far as the normal tax is concerned, but are not deductible so far as the surtax is concerned. So I am suggesting to the Finance Committee and those who favor this clause that you revise your wording so as to say that so far as the normal tax is concerned the taxpayer may deduct the interest he pays upon his borrowings, even when he holds these tax-exempt securities, but that he may not deduct it for the purpose of computing surtaxes.

Mr. SMOOT. Mr. President, I think there is a good deal in what the Senator says in relation to having this language not apply to normal taxes, but apply only to surtaxes. If the Senate amendment is not agreed to, the House provision, of course, will stand, and then will be open to amendment; and I see no particular reason why such an amendment as that suggested by the Senator, allowing this provision to apply to surtaxes but not to normal taxes, should not be adopted. I will say to the Senator frankly that as far as I am concerned I am perfectly willing to accept such an amendment.

Mr. ADAMS. Would not the insertion of words such as these accomplish the purpose?—For instance, after the word "deductions," in line 23 of that language as it stands, suppose there were inserted the words "for the computation of surtaxes."

Mr. SMOOT. "Only."

Mr. ADAMS. The word "only" is there already.

Mr. SMOOT. Yes; I see.

Mr. ADAMS. If you cause it to read "shall be allowed as deductions for the computation of surtaxes only," if it is really to prevent the evasion of taxes by those paying great surtaxes and not for the purpose of striking at other tax-exempt bonds, such as farm-loan bonds and others which are not held by those much concerned with surtaxes, an amendment of that kind will protect the municipality and the State largely, will protect the small holder, and yet will prevent evasion by the large holder.

Mr. SMOOT. I will submit the offer to the draftsman, and if the Senate disagrees to this amendment, I will submit to the Senator an amendment to carry out the idea expressed by him before it is suggested when the bill gets into the Senate.

Mr. NORRIS and Mr. FLETCHER addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Colorado yield; and if so, to whom?

Mr. ADAMS. I yield to the Senator from Nebraska.

Mr. NORRIS. I have been very much interested in listening to the Senator from Colorado. In fact, I am convinced that he has the proper solution, which will bring justice all around. But I want to suggest to the Senator that it is not necessary for him to wait until we vote on the pending amendment before offering his amendment. The committee amendment is to strike out the House language.

Mr. SMOOT. The whole of it.

Mr. NORRIS. The committee amendment is not to strike the provision out of the House text, but simply to strike out some of the language of the House text.

Mr. SMOOT. The whole paragraph.

Mr. NORRIS. Is not that paragraph subject to amendment, and would not an amendment offered to amend the part sought to be stricken out take precedence over the committee amendment? In other words, may not the language be perfected first before the vote is taken on striking it out?

Mr. SMOOT. This is not a substitute. The only way to get the House provision back into the bill is to disagree to the amendment of the Senate committee.

Mr. NORRIS. If the Senator will permit me——

Mr. SMOOT. I will ask the Senator to look at the language on page 52.

Mr. NORRIS. I have not the bill before me, but I have had it before me a good many times in the last two or three days. The amendment is a committee amendment, to strike out certain language in the House text. That is pending. Before we vote on it, have we not a right to perfect the language sought to be stricken out by the amendment? If so, then the suggestion made by the Senator from Colorado would be in order, and we would vote on it before we voted on the committee amendment to strike it all out.

If there is any question about that, I submit the proposition to the Chair. I would not like to see the Senator from Colorado put in a position where he and others, perhaps, might want to vote for the committee amendment striking it out unless he knew that the language sought to be stricken out was first modified. So the Senator's amendment ought to be voted on first. I ask the Chair, as a matter of parliamentary law, whether an amendment offered by the Senator from Colorado or any other Senator to the language the committee amendment seeks to strike out does not take precedence over the motion to strike out all of the language?

The PRESIDENT pro tempore. The Senator from Nebraska makes a parliamentary inquiry, and the Chair will say in reply that the Chair is of the opinion that the text of the House can be amended, and that such proposed amendment would be first voted upon, before the motion to strike out is acted upon.

Mr. NORRIS. That makes it perfectly plain, I think, and, of course, the Senator ought to follow that opinion of the Chair.

Mr. ADAMS. Mr. President, following that suggestion I desire to offer an amendment, if permissible. On page 52, at the end of line 23, following the word "deductions," I move to insert the words "for the computation of surtaxes."

Mr. REED of Pennsylvania. Will not the Senator make it read "in the calculation of the surtaxes"? It means the same thing, and I think conforms to the other wording of the bill.

Mr. ADAMS. Very well.

Mr. REED of Missouri. What is the amendment?

The PRESIDENT pro tempore. The Secretary will state the proposed amendment.

The READING CLERK. On page 52, line 23, after the word "deductions," the Senator from Colorado proposes to insert the words "in the calculation of the surtaxes."

The PRESIDENT pro tempore. The question is upon agreeing to the amendment proposed by the Senator from Colorado.

Mr. SIMMONS. The Chair has ruled that this amendment is in order?

The PRESIDENT pro tempore. The Chair answered a parliamentary inquiry to the effect that a motion to amend the House text is in order.

Mr. REED of Pennsylvania. A point of order, Mr. President.

The PRESIDENT pro tempore. The Senator from Pennsylvania will state his point of order.

Mr. REED of Pennsylvania. Under Rule XVIII of the Senate it is provided that "motions to amend the part to be stricken out shall have precedence." So I submit that the motion of the Senator from Colorado necessarily has precedence.

The PRESIDENT pro tempore. So the Chair ruled.

Mr. FLETCHER. There is no doubt about that. Nobody has questioned it. I think the amendment offered by the Senator from Colorado will very greatly improve the language, if it is not to be stricken out. I am in favor of striking it out absolutely, however, and I hope the Senator will support the committee amendment to strike out the paragraph, even after it has been amended.

Mr. SIMMONS. Mr. President, I agree with the Senator from Florida. The amendment of the Senator from Colorado would improve the language to some extent if it is finally adopted by the Senate; but what would be left in the bill would still be subject to all the objections we have made to it. It would simply ameliorate the situation; that is all.

Mr. REED of Missouri. I would like to suggest to my friend from Colorado that he allow a vote to be taken on whether we are going to strike out the paragraph as it now stands. If the Senate strikes it out, that ends the iniquity. If the Senate leaves it in, then the Senator will still have an opportunity to offer his amendment when the bill comes into the Senate.

Mr. SMOOT. Will the Senator yield at that point?

Mr. REED of Missouri. Certainly.

Mr. SMOOT. Even if we took the course the Senator suggests, when the bill got into the Senate we could offer the same amendment, including the amendment of the Senator from Colorado.

Mr. REED of Missouri. That is what I have said.

Mr. SMOOT. So we might just as well vote on it right now in the way the Senator from Colorado suggests. It makes no difference.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment offered by the Senator from Colorado.

The amendment was agreed to.

The PRESIDENT pro tempore. The question now is upon agreeing to the committee amendment striking out the paragraph as it has been amended.

Mr. REED of Missouri. I move to strike out the two lines at the top of page 53, which read, "the interest upon which is wholly exempt from taxation under this title."

The PRESIDENT pro tempore. The Secretary will state the amendment of the Senator from Missouri.

The READING CLERK. On page 53, lines 1 and 2, the Senator from Missouri moves to strike out the following words, "the interest upon which is wholly exempt from taxation under this title."

Mr. SMOOT. Mr. President, I want to say to the Senator from Missouri that then it would apply to all securities.

Mr. REED of Missouri. I intend it to.

Mr. SMOOT. I did not know whether the Senator went that far or not.

Mr. REED of Missouri. I intend that it shall.

Mr. SMOOT. I hope that the amendment will not be agreed to.

Mr. REED of Missouri. I am trying to strike out of the bill the discrimination against our own obligations.

Mr. SIMMONS. The amendment does not affect that at all. It still subjects the securities of the States and the Government to the provisions of the bill.

Mr. REED of Missouri. If my amendment is agreed to, then they would all stand alike.

Mr. SIMMONS. Let us strike out the whole thing.

Mr. NORRIS. The way to strike out the whole thing is to vote for the committee amendment.

Mr. REED of Missouri. I withdraw the amendment I suggested.

The PRESIDENT pro tempore. The Secretary will state the pending amendment.

The READING CLERK. On page 52, after line 18, to strike out:

(c) The amount of the deduction provided for in paragraph (2) of subdivision (a), unless the interest on indebtedness is paid or incurred in carrying on a trade or business, and the amount of the deduction provided for in paragraph (5) of subdivision (a) shall be allowed as deductions in the calculation of the surtaxes only if and to the extent that the sum of such amounts exceeds the amount of interest on obligations or securities the interest upon which is wholly exempt from taxation under this title.

The PRESIDENT pro tempore. The yeas and nays have been ordered, and the Secretary will call the roll on agreeing to the amendment.

Mr. REED of Missouri. A parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state his inquiry.

Mr. REED of Missouri. What is the form of the question before the Senate?

The PRESIDENT pro tempore. The question is upon agreeing to the amendment proposed by the committee to strike out the House text as amended.

Mr. REED of Missouri. An affirmative vote will be a vote the effect of which would be to strike out the House provision?

The President pro tempore. An affirmative vote upon the question will be a vote to strike out the entire paragraph as amended.

The reading clerk proceeded to call the roll.

Mr. LODGE (when his name was called). I have a general pair with the Senator from Alabama [Mr. UNDERWOOD]. I transfer that pair to the Senaor from New Jersey [Mr. EDGE], and vote "nay."

Mr. WATSON (when his name was called). I have a general pair with the senior Senator from Arkansas [Mr. ROBINSON], which I transfer to the senior Senator from Vermont [Mr. GREENE], and vote "nay."

The roll call was concluded.

Mr. CURTIS. I wish to announce that the Senator from Washington [Mr. JONES] and the Senator from Iowa [Mr. BROOKHART] are detained at a committee hearing.

I also wish to announce the following pairs:

The Senator from Illinois [Mr. MCCORMICK] with the Senator from Oklahoma [Mr. OWEN]; and

The Senator from Missouri [Mr. SPENCER] with the Senator from Utah [Mr. KING].

Mr. FLETCHER. I desire to announce the unavoidable absence of my colleague [Mr. TRAMMELL]. He is paired with the Senator from Rhode Island [Mr. COLT]. If my colleague were present, he would vote "yea."

Mr. WALSH of Massachusetts. I desire to announce the unavoidable absence of the junior Senator from Rhode Island [Mr. GERRY]. If he were present, he would vote "nay."

Mr. SWANSON (after having voted in the affirmative). I have a pair with the senior Senator from Washington [Mr. JONES]. I transfer that pair to the Senator from Rhode Island [Mr. GERRY] and let my vote stand.

Mr. MOSES (after having voted in the negative). I transfer my pair with the Senator from Louisiana [Mr. BROUSSARD] to the Senator from Maryland [Mr. WELLER] and let my vote stand.

Mr. WALSH of Massachusetts. I desire to announce that the junior Senator from New Jersey [Mr. EDWARDS] is paired with the senior Senator from West Virginia [Mr. ELKINS]. If the junior Senator from New Jersey were present and at liberty to vote, he would vote "nay."

Mr. CURTIS. I have been requested to announce that the Senator from New Jersey [Mr. EDGE] and the Senator from Missouri [Mr. SPENCER] if present and at liberty to vote, would vote "nay."

The result was announced—yeas 37, nays 36, as follows:

YEAS—37

Bayard	Fletcher	Ladd	Shields
Bruce	Frazier	McNary	Shipstead
Bursum	George	Mayfield	Simmons
Cameron	Harris	Neely	Smith
Caraway	Harrison	Norbeck	Stanley
Copeland	Heflin	Overman	Stephens
Dale	Howell	Pittman	Swanson
Dial	Johnson, Minn.	Ralston	
Dill	Jones, N. Mex.	Ransdell	
Ferris	Kendrick	Sheppard	

NAYS—36

Adams	Fernald	McKinley	Stanfield
Ashurst	Fess	McLean	Sterling
Ball	Glass	Moses	Wadsworth
Borah	Gooding	Norris	Walsh, Mass.
Brandegee	Hale	Oddie	Walsh, Mont.
Capper	Harreld	Pepper	Warren
Cummins	Keyes	Phipps	Watson
Curtis	Lodge	Reed, Pa.	Wheeler
Ernst	McKellar	Smoot	Willis

NOT VOTING—23

Brookhart	Elkins	La Follette	Shortridge
Broussard	Gerry	Lenroot	Spencer
Colt	Greene	McCormick	Trammell
Couzens	Johnson, Calif.	Owen	Underwood
Edge	Jones, Wash.	Reed, Mo.	Weller
Edwards	King	Robinson	

So the amendment was agreed to.

Mr. KING subsequently said: Mr. President, I was unavoidably detained from the Senate for just a few minutes and therefore was not present on the last yea and nay vote. I understand that I was paired with the Senator from Missouri [Mr. SPENCER]. If I had been here and had been permitted to vote, I should have voted to retain the House provision in the bill.

Mr. SMOOT. Mr. President, I desire to give notice that I shall ask for a separate vote on the amendment when the bill reaches the Senate.

On account of the vote just taken, I ask that we may return to page 47 of the bill. On that page there is an amendment passed over, beginning in line 22 and ending in line 2, on page 48.

The PRESIDENT pro tempore. The amendment will be stated.

The READING CLERK. On page 47, line 22, strike out the word "indebtedness" and insert "indebtedness, except on indebtedness incurred or continued to purchase or carry obligations or securities (other than obligations of the United States issued after September 24, 1917, and originally subscribed for by the taxpayer) the interest upon which is wholly exempt from taxation under this title," so as to read:

(2) All interest paid or accrued within the taxable year on indebtedness, except on indebtedness incurred or continued to purchase or carry obligations or securities (other than obligations of the United States issued after September 24, 1917, and originally subscribed for by the taxpayer) the interest upon which is wholly exempt from taxation under this title.

Mr. SMOOT. The action just taken by the Senate will require the adoption of the amendment just stated. I ask that it may be agreed to at this time.

Mr. FLETCHER. I think there is really no objection to it, but the action just taken does not necessarily require its adoption.

Mr. SMOOT. I am perfectly willing, if the Senator does not think it is required, to let it be rejected. I know it is required inasmuch as we have agreed to the other amendment. I am perfectly willing that this amendment should not be agreed to.

Mr. FLETCHER. Oh, let it be agreed to.

The PRESIDING OFFICER (Mr. WADSWORTH in the chair.) The question is on agreeing to the amendment of the committee on page 47.

The amendment was agreed to.

Mr. JONES of New Mexico. Mr. President, I desire out of order to introduce certain amendments and have them printed and lie on the table.

The PRESIDING OFFICER. The amendments will be printed and lie on the table.

Mr. JONES of New Mexico. The amendments which I propose are designed to be substituted for the provisions of the bill relating to the taxes upon corporations. I will state very briefly the proposal and what is intended to be accomplished by the amendments.

The amendments are proposed as a substitute for the majority Republican plan to impose a uniform tax of 14 per cent upon the taxable net income of all corporations, and are as follows:

1. By unanimous agreement of the shareholders the net income of the corporation may be returned by shareholders and taxed to them in the same manner as net income of a partnership.

2. The normal tax on net income is reduced from 14 per cent to 9 per cent.

3. A surtax is imposed upon the net income which is undistributed to shareholders on the basis following:

(a) The "surtax income" includes taxable income subject to normal tax and also dividends from other corporations and income from Government obligations which are exempt only from a normal tax.

(b) All dividends, whether paid in cash or interest-bearing obligations, which would be subject to the surtax imposed upon individual shareholders and the amount of the normal tax and 10 per cent of the total "surtax income," are exempt from any surtax.

(c) The "undistributed net income" is the amount by which the surtax net income exceeds the amount of the normal tax plus the amount of the cash dividend paid during the 12 months preceding the fifteenth day of the third month following the close of the taxable year.

(d) No surtax is imposed upon undistributed net income which does not exceed 10 per cent of the surtax income.

(e) If the undistributed net income exceeds 10 per cent of the surtax income, a graduated tax is imposed upon the undistributed net income based upon the proportion which the undistributed net income bears to the surtax income. The surtax rates commence with one-fourth of 1 per cent of the undistributed net income if such income is more than 10 per cent but not more than 11 per cent of the surtax net income. Upon each additional per cent of undistributed net income an additional tax is imposed graduated according to the plan of the graduated surtaxes upon individual incomes in such manner that the maximum surtax reaches the maximum surtax imposed upon individual incomes. This maximum is reached at the point where the undistributed net income equals or exceeds 60 per cent of the total surtax income.

4. The amount of revenue to be derived from this substitute is estimated to be the same as would be derived from a flat or normal tax of 14 per cent levied upon the taxable net income of all corporations.

5. All corporations which distribute in dividends more than 30 per cent of their net income will pay less taxes than they would pay under the proposed 14 per cent flat or normal tax. Of the 48,875 corporations paying any dividends in 1922, 80.4 per cent of them will pay less taxes under this substitute provision than under the 14 per cent flat tax proposal. The purpose of the substitute is both to reduce and equalize taxation upon corporate incomes. It reduces taxation upon the shareholders of corporations which are doing business in a reasonable and normal way and equalizes taxation by increasing the tax upon shareholders which are using the device of corporate organization for the purpose of evading their just share of the tax burden.

Mr. SIMMONS. As a whole, the Senator's amendment is a tax-reduction proposition?

Mr. JONES of New Mexico. It is a tax-reduction proposition.

The PRESIDING OFFICER. Without objection, the amendments will be printed and lie on the table.

Mr. SMOOT. The next amendment passed over is on page 111, under the subhead "Returns to be public records."

The PRESIDING OFFICER. The Secretary will state the amendment.

The READING CLERK. The next amendment passed over is, under the subhead "Returns to be public records," in section 257, on page 111, line 17, after the word "records," to strike out "but they" and insert "but, except as hereinafter provided in this section, they," so as to read:

SEC. 257. (a) Returns upon which the tax has been determined by the commissioner shall constitute public records; but, except as hereinafter provided in this section, they shall be open to inspection only upon order of the President.

The PRESIDING OFFICER. The question is on the adoption of the amendment.

Mr. SIMMONS. Mr. President, we are now taking up a very important amendment. A number of Senators who are interested in it, and probably did not expect to have it called up at this time, are absent. I think we ought to have a quorum, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from North Carolina suggests the absence of a quorum. The Secretary will call the roll.

The principal clerk called the roll, and the following Senators answered to their names:

Adams	Fess	McKinley	Simmons
Ashurst	Fletcher	McLean	Smith
Borah	Frazier	McNary	Smoot
Brandegee	Glass	Mayfield	Stanfield
Bruce	Hale	Neely	Swanson
Bursum	Harris	Norbeck	Wadsworth
Cameron	Harrison	Norris	Walsh, Mass.
Capper	Heflin	Oddie	Walsh, Mont.
Copeland	Johnson, Minn.	Overman	Warren
Curtis	Jones, N. Mex.	Pepper	Watson
Dale	Kendrick	Ralston	Wheeler
Dial	Keyes	Reed, Mo.	Willis
Dill	King	Reed, Pa.	
Fernald	Ladd	Sheppard	
Ferris	Lodge	Shipstead	

Mr. CURTIS. I desire to announce that the Senator from Iowa [Mr. BROOKHART] and the Senator from Washington [Mr. JONES] are detained from the Senate in attendance upon a special investigating committee.

The PRESIDING OFFICER. Fifty-seven Senators having answered to their names, a quorum is present.

Mr. NORRIS. Mr. President, I desire to offer an amendment. I understand that we have returned to that portion of the bill where my amendment will apply.

Mr. SMOOT. I will say to the Senator that I do not think there is any objection to the amendment which has been stated, as found on page 111, but I did not want to have action on the amendment until I was sure that it was not objected to by the Senator from Nebraska. I advised him that I would take that course.

Mr. NORRIS. The amendment which I desire to offer comes in on the same page.

Mr. SMOOT. Inasmuch as the Senator from Nebraska is present I suggest that the amendment on page 111, in lines 17 and 18, be agreed to. It is merely a clerical change, I will say.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The next amendment passed over was, in section 257 (a), on page 111, line 20, after the words "approved by the," to strike out: "President: *Provided*, That the Committee on Ways and Means of the House of Representatives, the Committee on Finance of the Senate, or a special committee of the Senate or House, shall have the right to call on the Secretary of the Treasury, and it shall be his duty to furnish any data of any character contained in or shown by the returns or any of them, that may be required by the committee; and any such committee shall have the right, acting directly as a committee, or by and through such examiners or agents as it may designate or appoint, to inspect all or any of the returns at such times and in such manner as it may determine; and any relevant or useful information thus obtained may be submitted by the committee obtaining it to the Senate or the House, or to both the Senate and House, as the case may be: *Provided further*, That the" and in lieu thereof to insert the word "President" and the following paragraphs:

(b) (1) The Secretary and any officer or employee of the Treasury Department, upon request from the Committee on Ways and Means of the House of Representatives, the Committee on Finance of the Senate, or a standing or select committee of the Senate or House specially authorized to investigate returns by a resolution of the Senate or House, or a joint committee so authorized by concurrent resolution, shall furnish such committee sitting in executive session with any data of any character contained in or shown by any return.

(2) Any such committee shall have the right, acting directly as a committee, or by or through such examiners or agents as it may designate or appoint, to inspect any or all of the returns at such times and in such manner as it may determine.

(3) Any relevant or useful information thus obtained may be submitted by the committee obtaining it to the Senate or the House, or to both the Senate and the House, as the case may be.

So as to read:

Shall be open to inspection only upon order of the President and under rules and regulations prescribed by the Secretary and approved by the President.

(b) (1) The Secretary and any officer or employee of the Treasury Department, etc.

Mr. NORRIS. Mr. President, the amendment which has just been stated at the desk ends on line 4, page 113. I should like to ask the Chair whether the amendment which I desire to offer would be in order at this time, or whether the committee amendments must first be acted upon. My amendment proposed to strike out, as the Chair will notice by observing the bill, not only the committee amendments but the language of the House text. My amendment commences after the word "records," in line 17, page 111, and proposes to strike out the remainder of that page, all of the next page, and the first four lines of page 113, and in lieu thereof to insert other language. The question I wish to submit to the Chair is whether my amendment is now in order while the committee amendments are pending, or whether we must first dispose of the committee amendments?

The PRESIDING OFFICER. The Chair understands that the amendment intended to be proposed by the Senator from Nebraska commences after the word "records," in line 17, page 111.

Mr. NORRIS. Yes.

The PRESIDING OFFICER. The Senate has just adopted an amendment in that same line, which is printed in italics.

Mr. NORRIS. Yes; but there are some other amendments included in the language which I seek to strike out by my amendment that as yet have not been acted upon.

Mr. FLETCHER. Would it not be in order to allow the Senator's amendment to be offered as a substitute for the committee amendment?

Mr. NORRIS. But it strikes out more than is proposed to be stricken out by the committee amendment, I will say to the Chair.

The PRESIDING OFFICER. The first difficulty that occurs to the present occupant of the chair is that the Senator from Nebraska would have to secure a reconsideration of the vote by which the amendment on line 17 has been adopted.

Mr. NORRIS. I do not suppose there would be any objection to that request, but I should like to direct the attention of the Chair to the fact that my amendment strikes out not only the amendment which has been agreed to and the committee amendment which is pending but certain portions of the House text which the committee does not seek to amend. In other words, my amendment proposes to strike out not only what the committee seeks to put in but it proposes to strike out a portion of the House text as well. I can not, therefore, offer it as a substitute for the committee amendment. It has always seemed to me that the proper way would be to dispose first of the committee amendments, and then it would be in order to strike out, whether the committee amendments were adopted or not, because I seek to strike out not only what they would put it in if they were agreed to but some of the text of the House bill as well. Still, I do not want to take any chances.

Mr. SIMMONS. Would not this difficulty arise: The Senate having adopted the amendment, it could not then consider an amendment which changed that amendment.

Mr. NORRIS. No, Mr. President; the Senator, I think, does not understand the situation. The Senate has adopted an amendment, but my amendment strikes out the House text as well. It strikes out the whole thing. I could not seek to offer it as a substitute for the committee amendment, because I include in it something that the committee amendment does not strike at or change.

Mr. FLETCHER. Mr. President it seems to me clearly it would be in order to offer it as a substitute. The committee amendment proposes to strike out certain portions of the House bill and insert new matter. Now, the Senator wishes to substitute something for what is proposed to be inserted and to strike out some additional matter in the House bill. I see no reason why his amendment is not a good substitute for the committee amendment, striking out some language of the House bill and as a substitute inserting all the new matter which he proposes.

Mr. NORRIS. I have no objection, if the Senate wants to proceed on what to me seems a perfectly illogical proposition, to offering it as a substitute for the committee amendment, but a substitute which strikes out not only the committee amendment but a lot of other language that is not included in the committee amendment.

Mr. FLETCHER. That is all right.

Mr. NORRIS. It is not a substitute for the committee amendment. It would be wrong to say that it is, because it substitutes language not only for the committee amendment but for two or three committee amendments and some additional House text. If the Chair wants to hold that way, however, it does not make any difference to me.

Mr. FLETCHER. But where a committee amendment strikes out a certain portion of the House text, it would be proper to include some more language in the substitute.

Mr. NORRIS. I have not offered it yet.

Mr. SMOOT. Let me ask the Senator a question, so that I may understand his amendment. I understand that his amendment strikes out everything after the word "records" in line 17, page 111, down to and including the word "be" in line 4, page 113.

Mr. NORRIS. That is correct.

Mr. SMOOT. Then it seems to me the proper way to do is for the Senate first to agree or disagree to the pending committee amendment, and then, if it is agreed to, the Senator can offer his amendment as a substitute.

Mr. NORRIS. I agree entirely with the Senator from Utah. That is the idea I have been trying to convey. I think that is the proper procedure. I have not any doubt about it; but if there was some doubt about it I did not want to go on and be put in a hole where I could not offer any amendment at all.

The PRESIDING OFFICER. The Chair simply desires to remind Senators that the committee amendment strikes out and inserts. It is within the rights of any Senator to offer an amendment either to the House text which is proposed to be stricken out or to the committee text which is proposed to be inserted. The Senator's amendment goes further than that.

Mr. NORRIS. Yes; that is right.

The PRESIDING OFFICER. The Senator's amendment, if offered now, would not strike out the Senate committee amendment, because that is not in the bill.

Mr. NORRIS. I agree with the Chair. Then suppose we act on the committee amendment, and the Chair will recognize me when it is acted on, because no matter what words are put in or out I want to offer the substitute.

Mr. FESS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Ohio will state it.

Mr. FESS. Suppose the Senate acts upon the committee amendment and inserts it. Can it be stricken out after it has been once inserted?

Mr. NORRIS. It can be stricken out, because I seek to strike out something else with it. It would not be right simply to strike it out by itself; but I include about three committee amendments and a lot of House text.

The PRESIDING OFFICER. Three committee amendments?

Mr. NORRIS. Two at least.

The PRESIDING OFFICER. It is all one amendment.

Mr. NORRIS. Is it? All right.

The PRESIDING OFFICER. There are three subdivisions, but the committee substitute for the House language in one amendment.

Mr. NORRIS. There is one committee amendment on line 17, but——

Mr. SMOOT. That has been agreed to.

Mr. NORRIS. I understand, but that one committee amendment I strike out. Then another committee amendment strikes out a lot and inserts a lot more. I strike out all of that.

Mr. McKELLAR. Mr. President, have all the committee amendments been agreed to?

Mr. SMOOT. No; not as yet.

Mr. McKELLAR. Then just let them be agreed to, and then we will offer this as an amendment.

Mr. SMOOT. It seems to me that is the proper way to proceed.

Mr. McKELLAR. We can do it by unanimous consent. Let us do it that way.

Mr. SMOOT. It seems to me the proper way is to agree to the committee amendment, and then allow whatever amendment may be offered to it to be considered.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment, which strikes out the language commencing at the end of line 20 on page 111, down to and including the words "That the" on line 10, page 112, and substitutes the language printed in italics immediately following, ending on line 4 of page 113.

Mr. SMOOT. That is correct.

Mr. SIMMONS. Mr. President, I have no objection to a vote upon that question, but I want to be quite sure that if we adopt the committee amendment a subsitute for it will be in order.

Mr. McKELLAR. The Chair has already held that.

The PRESIDING OFFICER. The Chair has not made any ruling. The Chair has assumed from the colloquies that have been going on that such an amendment would be offered and that no one would object to it.

Mr. SMOOT. No one will object to it.

The PRESIDING OFFICER. Strictly speaking, none but committee amendments are in order at this time, but the Chair would not raise the question himself.

Mr. SMOOT. I should like to have it understood——

Mr. SIMMONS. I understand that none but committee amendments are in order at this time.

The PRESIDING OFFICER. The present occupant of the chair understands the point, and the Chair certainly will not raise any objection.

Mr. SMOOT. Mr. President, I should like to have the Senate consider, and will ask unanimous consent that the Senate shall consider, the amendments that are to be offered as amendments to the committee amendment. Then there will not be any question about it.

The PRESIDING OFFICER. Without objection, that understanding will be entered into.

Mr. SMOOT. Very well. That will cover the whole thing.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

Mr. NORRIS. Mr. President, I now offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The READING CLERK. On page 111, line 17, after the word "records," it is proposed to strike out all down to and including line 4 on page 113, and in lieu thereof to insert the following:

and shall be open to examination and inspection as other public records, under the same rules and regulations as may govern the examination of public documents generally.

Mr. McKELLAR. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Tennessee?

Mr. NORRIS. I yield; yes.

Mr. McKELLAR. I have an amendment somewhat similar to the Senator's amendment, but I believe I like the Senator's amendment better than I do my own, with one exception—that immediately after the language that the Senator would insert by his amendment I should like to insert a few words. Has the Senator my amendment before him?

Mr. NORRIS. No; I have not the Senator's amendment, but I have mine.

Mr. McKELLAR. I will pass it over to the Senator. Immediately after the word "generally" in the Senator's amendment I would offer the last paragraph of the amendment that the Senator from Nebraska now has in his hands, which reads in this way:

All claims for abatement or refunds of taxes shall likewise be public property, subject to inspection under similar rules.

If the tax returns themselves are to be public, then of course applications for refunds and abatements should likewise be public.

Mr. NORRIS. Mr. President, I fully agree with the Senator from Tennessee. I think the Senator's suggestion improves my amendment, and I will gladly accept it and modify it accordingly.

Mr. McKELLAR. I thank the Senator.

Mr. SIMMONS. Mr. President, I want to inquire of the Senator from Tennessee if he would not be willing to withhold his amendment until the amendment of the Senator from Nebraska is acted upon, and then offer his amendment as an additional one? My reason for making that suggestion is this: There are some Senators, I think, who might be in favor of the proposition of the Senator from Nebraska who might not be in favor of the proposition of the Senator from Tennessee, and I think his proposition would complicate the vote.

Mr. McKELLAR. With the understanding that I can offer my amendment later, if that is satisfactory to the Senator from Nebraska, I shall be glad to do it.

Mr. NORRIS. What is the suggestion?

Mr. McKELLAR. The suggestion is that we vote first upon the amendment of the Senator from Nebraska, and then, in the next place, upon my suggestion.

Mr. NORRIS. The Senator's amendment, of course, would be in order afterwards.

Mr. McKELLAR. I think so.

Mr. NORRIS. Oh, yes; there is no doubt about it.

Mr. SIMMONS. I suggested the segregation because I think the other course would complicate the proposition, and it would be better to vote upon the two matters as separate propositions.

Mr. NORRIS. All right; that may be, although I was glad to accept the amendment.

Mr. McKELLAR. I think it strengthens the original amendment, but I yield to the view of the Senator from North Carolina.

Mr. NORRIS. As far as I can see, I think the amendment is a very good one. Then, under that suggestion, I will withdraw the modification I have made, and let my amendment stand as I have offered it.

Now, Mr. President, upon the question itself I want to speak but briefly.

This is not a new question to the Senate. It has been up in every income tax bill that has ever been presented to the Senate since I have been a Member of it. I have always had definite ideas on the question, and have always wondered why it was that those who oppose it so often—not always, all of them, but so often—did it with bitterness, it seemed to me, with a feeling that those who favor this kind of an amendment were really not acting, perhaps not trying to act, for the best interests of the country generally.

I can not myself see any objection to the publicity of these tax returns, and I can see, I think, a great many ways in which the country would be benefited if they were made public records. It is akin to the return that we all make in our home States to the assessor. As far as I know, there is not a single State but that provides that those returns shall be public, and that they shall be liable to inspection by any citizen, under reasonable rules and regulations. In my own State the law not only provides that they shall be open to inspection but it provides for the making of objections to the return of any taxpayer in the county by any other taxpayer, and there is a provision for hearing and summoning taxpayers when complaints are made.

I never have known of any danger or injury to a man's business because his tax returns to the assessor were public property. I can not myself understand how, in making an income-tax return to the Federal Government, there is any more reason why it should be secret than the tax returns made under our State laws, which, instead of being secret, are held to be public documents and public property, subject to examination. The fact that this is true has a tendency to bring about more honesty in returns and a fairer statement of property—in this case of incomes—because it is known that it will be possible for people to examine the return when it is filed and becomes a public record.

But, Mr. President, I am not trying to argue that point. It seems to me that that, perhaps, is apparent to everybody. There is another reason, the importance of which has been disclosed during this session of Congress, why publicity should take place.

We voted just to-day upon an amendment, and there was practically a tie vote upon it in the Senate, when if we had had publicity of returns it would have been so plain that there would not have been any doubt as to what the Senate should do. As it was, Senators all of whom were trying to reach the same conclusion voted differently, and there was practically a tie in the Senate.

Here we have discovered, or we think we have—the Senate committee thinks so, and the House thought so—a loophole by which men are avoiding the payment of their income taxes; and the provision in the House bill was intended to close up that loophole. Nobody knows just to what extent it has been carried on in the past because of the secrecy of these returns, because there is no publicity of the records; and we are confined for our consideration to a few cases that become public property when a man dies, and his estate is subject to administration under the law.

We appointed a committee some time ago, known as the Couzens committee, to make certain investigations of the Bureau of Internal Revenue. There were some other things that crept into that, of a partisan nature, perhaps, and I am going to have something to say about that when we consider either the motion to discharge the committee or to give it power to hire an attorney, and I do not want to discuss it in detail now. I only want to refer to it as far as the investigation applied to the question now before the Senate is concerned. I was in favor of the appointment of that committee, mainly because I thought it would bring out some of the things that were hidden that would enable Congress properly to legislate on the income-tax provisions of the law. We are all in the dark. When that committee got to work, they came up against this law of secrecy, so that they would have been in the end of a blind alley if it had not been that some people, including the Secretary of the Treasury, agreed that the secrecy covering their returns provided for by the law should be set aside, and that the committee should have information as to the returns. They got some information in that way. I have read a good part of the hearings, as far as they went. They just got started when the whole thing was stopped on account of the illness of the Senator from Michigan.

What little evidence was adduced throws a good deal of light on the question of how we ought to legislate in this very bill now before the Senate. It was disclosed, in what little came out, that when a claim is made by the taxpayer of some error in the assessment, he goes before a board or a collector, or somebody—it is hardly disclosed just what is done—he gets before some kind of a tribunal and has a hearing, and it is secret.

If he finds out that something is wrong with his tax assessment; if he finds he has been erroneously assessed, that the Government has taken too much, we will say, and they refund it to him, there may be a thousand other men in the same predicament, but they do not find it out. The very wealthy, the very large corporations, in some way or other usually do find out such things, get in and get their remedy. So, in a case like that, it is an injury to the taxpayer, and it all comes about because of the secrecy in this great machine, in this great bureau. Publicity of these returns would relieve it of every one of these objections. If, on the one hand, a man has been erroneously assessed, and he shows it, and there is publicity of the official action of the department or the bureau or the officer, every citizen in the United States knows about it the next day. If some one else is in the same predicament, if the same thing has happened to him, he will be enabled to get justice, whereas perhaps he might not even have knowledge that a mistake had been made in his case.

Mr. CARAWAY. And secrecy lends itself to the corruption.

Mr. NORRIS. Absolutely; there is no question on earth about that. Secrecy lends itself to the corruption not only of the man who is dishonest and wants to evade proper taxation in his return, but it lends itself to corruption of the people who are passing on the question in secret, if it is ever raised before any tribunal.

Mr. CARAWAY. May I suggest to the Senator that when a taxpayer goes and tries to get an adjustment, he is met with this situation: The Government will receive in confidence statements made against him reflecting upon the honesty of his return, and he never knows who makes the statements. Therefore it is an invitation for somebody who wants to give trouble to some one else to make a confidential statement to a secret agent of the Government. The whole thing reeks with corruption, and affords untold opportunities for blackmail and for doing everything else wrong.

Mr. NORRIS. If the Couzens investigation had gone on, I think all of this would have been disclosed along the very lines the Senator from Arkansas has pointed out. What little has been done has disclosed that in some instances some clerk in the bureau having a confederate on the outside, knowing in secret what has happened to this man's claim or that man's claim and a thousand other claims, where perhaps the man does not know anything about it, can communicate with his confederate, giving the names of the taxpayers. His confederate then can communicate with the taxpayers, be employed as an attorney, perhaps on a 50-50 basis, when there is really nothing to do, but because it is all secret, the clients do not know anything about it. They pay extortionate fees to get what they ought to have without the payment of any fee.

Mr. CARAWAY. May I just suggest right there that a man who has held a most important position in the Treasury Department told me that they were splitting fees four ways. He would not permit me to quote him, because he, like many other people, would rather have a job than be an honest man. He wanted me to make certain inquiries to establish the truth or falsity of his statement without revealing his name, and I would not do it.

Mr. NORRIS. Mr. President, it has been disclosed in the argument on the amendment we have voted on to-day that Mr. William Rockefeller died, that publicity was given, of course, to the settlement of his estate, and that it was discovered that this loophole in the present tax law, which everybody wants to close up, was resorted to by him, and he escaped paying income taxes. Nobody knew anything about it until the settlement of a dead man's estate brought it into public view. Nobody knows now how many thousands of other cases there are like that or whether there are thousands of other cases like it. We do know it worked very successfully in that case. No person anywhere outside of the bureau itself knows to-day how many million dollars of taxation have been avoided by the taxpayers creeping through that one loophole, which was discovered only by the death of some one who had been using it to escape taxation. Maybe we can not remedy the matter. Maybe we will find that some of these things can not be remedied. The Senate disagrees as to just how it should remedy this one, but we never will know anything about it until we take off the shield of secrecy and see and examine the conditions just as they are.

Who would be hurt by it? Where is there a citizen in the United States who would be injured by publicity? I can not myself imagine such an individual. No one who is willing to pay all the income tax he ought to pay under the law, whether he believes the law to be right or not, it seems to me, can have any legitimate objection to publicity of income-tax returns.

Mr. President, it will not only enable us to legislate correctly and to finally get a law without loopholes, but it will bring into the Treasury of the United States many millions of income taxes, coming from men who are avoiding the payment of proper taxes simply because there is no publicity.

Mr. CARAWAY. It will also put an end to the activities of a great many people and some corporations pretending to be gold mines and getting people to invest in schemes on the statement that they make large earnings.

Mr. NORRIS. It will do that. I thank the Senator. That is quite an important proposition, it seems to me.

Mr. DILL. Mr. President, I suggest that it might also prevent some of our investigation work, where we try to find out some of these things. They would all then be a matter of public record.

Mr. NORRIS. Yes; I was trying to show that the investigation going on by the so-called Couzens committee of the Bureau of Internal Revenue so far has disclosed nothing except what would have been public to everybody if it had not been for the secrecy that surrounds this entire business.

The PRESIDING OFFICER (Mr. LADD in the chair). The question is on agreeing to the amendment offered by the Senator from Nebraska.

Mr. McKELLAR. Mr. President——

Mr. REED of Missouri. Let it be reported.

Mr. McKELLAR. It can be reported when I finish what I am about to say. I offer an amendment similar to that of the Senator from Nebraska, and ask to have it printed in the RECORD.

There being no objection, Mr. McKELLAR's amendment was ordered to be printed in the RECORD, as follows:

On page 111, line 17, after the word "records," strike out the semicolon and all of the paragraph down to and including line 10 on page 112, insert a comma and the following: "and shall be open to inspection by any citizen under rules and regulations prescribed by the Secretary and approved by the President, covering only the time and manner of such inspection, to the end that all officials and employees of the Treasury in charge of such records may be inconvenienced as little as possible in the discharge of their usual duties and that the business of the department may be as little interfered with as possible.

"All claims for abatement or refunds of taxes shall likewise be public property subject to inspection under similar rules."

Mr. McKELLAR addressed the Senate. After having spoken for 20 minutes,

Mr. BAYARD. Mr. President——

Mr. McKELLAR. I yield to the Senator from Delaware for a question.

FORMER SENATOR WILLARD SAULSBURY

Mr. BAYARD. Mr. President, from 1913 to 1919 Hon. Willard Saulsbury was a Senator from the State of Delaware in this body. In the last week or two the Secretary of War and the Secretary of the Navy have seen fit to make public announcement in regard to his record so far as practicing before those departments is concerned. Those statements are absolutely false in fact, and I have letters to me refuting them, copies of letters to the several Secretaries, and a copy of the letter of the legal firm with which Mr. Saulsbury was said to be associated. I ask unanimous consent that this correspondence be placed in the RECORD, inasmuch as the alleged statements were heretofore published in the RECORD.

Mr. SMOOT. Mr. President, the Senator says the Secretaries saw fit to make public statements. The Secretaries answered a resolution of the Senate. They could not do otherwise.

Mr. McKELLAR. I do not yield for a colloquy on this subject.

Mr. BAYARD. Does the Senator object to my offer?

Mr. SMOOT. No; I do not object.

Mr. McKELLAR. The Senator has made his statement, and I do not want all this matter brought up in my time.

The PRESIDING OFFICER. Without objection, the correspondence will be printed in the RECORD.

The matter referred to is as follows:

WASHINGTON, D. C., *May 1, 1924.*

Hon. THOMAS F. BAYARD,
United States Senate, Washington, D. C.

DEAR SENATOR: I notice in the CONGRESSIONAL RECORD of April 28 last a report of the Secretary of War in which my name appears as one of the former United States Senators who appeared as attorney in connection with claims before the War Department.

It is stated that "former Senator Saulsbury is understood to have been a member of the firm" of Britton & Gray, who, on May 8, 1919, wrote a letter to the War Department concerning demurrage on some cars to Aberdeen, Wash., the amount involved being $60. I noticed in one of the newspapers recently a similar reference to myself as connected with the same firm which had had some business with the Land Office, possibly at or about the same time. I paid no attention to it, but as it seems to be considered a proper thing in making reports under the Senate resolution to refer to me as being connected with or interested in matters presented to any of the departments by Messrs. Britton & Gray, and as nobody can foresee what conclusion some evil-disposed person may seek to draw from the attempt to connect me with claims against the Government, I think it is excusable for me to make this statement:

I have never been personally and pecuniarily interested in any case which the firm of Britton & Gray had or has before any department of the Government. On May 8, 1919, I doubt if I had ever been in their offices. In December, 1920, I became associated with that firm, but not as a partner, simply having my Washington office in their suite. This was an agreeable connection for me because the firm of Britton & Gray, under that name, has been a firm of the highest reputation among the lawyers of the District for more than 50 years. They have a very large practice in the various departments, and not a day passes, I am sure, that communications are not going backward and forward between one or more of the Government departments and Britton & Gray concerning business to which they are attending for clients in the legitimate practice of their profession. As is known to everyone connected with such firm, their practice is very large before the General Land Office, and with that office I have never had the slightest connection, nor have I any knowledge of that branch of the law which would justify me in attempting to practice in that office.

As you know, for a long time prior to my election to the Senate I was the chairman of the board of censors of my home bar association, and only resigned that position when I went into the Senate. I should, therefore, be supposed to have more than average knowledge of the ethics of the legal profession; therefore, any imputation of impropriety of any character connected with my profession is extremely disagreeable to me and absolutely without any foundation.

I inclose copies of letters just sent by Britton & Gray to the War and Interior Departments. May I ask you to give this communication such publicity as was given the War Department report? If anything further occurs in the Senate which you think would call for any explanation or denial on my part, I will greatly appreciate it if you will let me hear of it.

Yours very truly,

WILLARD SAULSBURY.

MAY 1, 1924.

Hon. JOHN W. WEEKS,
Secretary of War, Washington, D. C.

SIR: In a report made over your signature to the President of the Senate it is stated that Britton & Gray, attorneys at law of this city, on May 8, 1919, wrote a letter to your department regarding a trifling claim amounting to $60, made by one of their clients for demurrage on cars, and this gratuitous, unnecessary, and untrue statement is included—

"of which firm (Britton & Gray) former Senator Saulsbury is understood to have been a member."

I can not escape the conclusion that the object of inserting this falsehood is the endeavor to connect my name with the nauseous and disgusting condition disclosed in some of the Government departments. For this reason I can not attribute it to you personally.

I had not the slightest connection with Britton & Gray's office for more than a year and a half after the date given for this letter. The triviality of the matter would make it unworthy of notice were it not for the motive. I, however, have the honor to suggest that any one of your subordinates who would be guilty of such an act is unworthy of confidence and unfit to hold any Government position where he may be further enabled to show vicious partisanship.

Yours very respectfully,

WILLARD SAULSBURY.

MAY 1, 1924.

Hon. JOHN W. WEEKS,
Secretary of War, Washington, D. C.

SIR: We note in the CONGRESSIONAL RECORD of April 28 a report by you to the President of the Senate with respect to any ex-Members of the House of Representatives, ex-Senators, or any ex-Cabinet officers who may have appeared as attorneys or agents in connection with claims of the War Department, as follows:

"Willard Saulsbury: May 8, 1919, Britton & Gray, attorneys at law, of which firm Senator Saulsbury is understood to have been a member, wrote a letter to the Engineer Department concerning certain demurrage on cars furnished at Aberdeen, Wash., in September, 1917, which had been disallowed by the Auditor for the War Department. The correspondence requested further information as to the dates the cars were placed on order of a representative of the Engineer Department. This could not be furnished, and, so far as known, the disallowance stands. The amount involved was $60."

Permit us to advise you that ex-Senator Saulsbury has never been and is not a member of the firm of Britton & Gray. In January, 1921, we arranged with ex-Senator Saulsbury that he should use a portion of our offices, which arrangement still continues.

It seems to us with a firm of practitioners, having daily business before your department, and with established headquarters in this city, it would have been a very easy matter for the officials in charge to have called upon Britton & Gray for the facts before making such an erroneous return in response to Senate resolution, and in view of the above we respectfully request that you may supplement your previous report by advising the Senate in accordance with the facts.

Very respectfully,

BRITTON & GRAY.

MAY 1, 1924.

To the SECRETARY OF THE INTERIOR,
Washington, D. C.

SIR: In a recent number of the CONGRESSIONAL RECORD we notice that, in reply to the resolution of the Senate of the United States calling for information with reference to ex-Members of the House of Representatives, ex-Senators, and ex-Cabinet officers who have appeared as attorneys or agents in connection with claims before your department, a statement that ex-Senator Willard Saulsbury, of Delaware, had appeared as counsel or attorney in the case of the Bolton oil and gas lease.

The oil and gas lease to which reference was made was in the hands of the firm of Britton & Gray, with which firm ex-Senator Saulsbury has never had any official connection. Ex-Senator Saulsbury is associated with the firm of Britton & Gray in the sense that he has office rooms in connection with those of this firm. He had no connection or knowledge of any kind with the matter above referred to, and this fact could have easily been ascertained by the officer in your office having charge of the matter if he had called upon this firm for information.

In view of the above, we respectfully request that you may correct your previous report to the Senate, so that the facts may be correctly placed of record.

Yours very respectfully, BRITTON & GRAY.

TAX REDUCTION

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 6715) to reduce and equalize taxation, to provide revenue, and for other purposes.

Mr. McKELLAR resumed and concluded his speech, which is entire, as follows:

Mr. McKELLAR. Mr. President, I agree with what has been so well said by the Senator from Nebraska [Mr. NORRIS] in reference to the publicity of tax returns. I do not think there is a more important provision in this bill. Publicity of tax returns is in exact accordance with the spirit if not the very letter of our Constitution. That is provided for in an article which is not very generally kept; but, at the same time, it is in the Constitution now. Section 9 of Article I of the Constitution provides as follows:

A regular statement and account of the receipts and expenditures of all public money shall be published from time to time.

The framers of our Government intended that its affairs should be transacted in public, and especially its tax affairs. I doubt if it was dreamed by them that the Government would ever impose taxes and make the records concerning their imposition secret records, only to be opened upon the direction of the officer in charge of their collection.

I stop here long enough to say that under the present law no officer of this Government except the Secretary of the Treasury and those whom he designates has the right to look at any tax return. No Member of Congress, not a committee of this body, not a committee of the other House, has the slightest right or power to get any information from the Treasury about tax returns.

It is a remarkable thing that Members of both Houses of Congress would be willing to impose taxes on the people of the United States and then provide for their being secretly imposed, secretly refunded, secretly abated; yet that is exactly the provision in the present law.

A policy of secrecy in reference to the collection of billions of dollars of taxes a year is in effect now. Not even a Congressman or a Senator is permitted to look into the records, not even a committee of either House is permitted to look into the records. They are hermetically sealed, and only by passing a resolution is the Congress through its committees able to get any information concerning taxes, and then, when the information is obtained the records are sacredly guarded by the official in charge of them, and an expert, so I am informed, is sent along to the committee for the purpose of explaining the return.

The Senator from Nebraska said a few moments ago that he had read the report of the hearings before the Couzens committee. I ask him if there was an officer of the Treasury Department brought along to explain all returns to the committee when they were offered to the committee. Was that the way it was handled?

Mr. NORRIS. I can not answer the question. I do not know whether that occurred in all cases or not. That did happen, I think.

Mr. McKELLAR. The papers so reported.

Mr. NORRIS. Whether that was the case always or not, I can not say.

Mr. McKELLAR. What information can a committee of the Senate or the House get as to these secret returns, none of them being specialists in taxation, involving the most complicated questions of law and fact? What information can they get, other than what the expert is pleased to give them, upon an examination of the returns in that way?

Again, Mr. President, the secret imposition of taxes—for that is what it means—the secret repayment of taxes, the secret abatement of taxes, is contrary to the genius and policy of American institutions, and ought not to be tolerated in any free country.

We have 48 States in this Union, all imposing taxes; almost innumerable counties imposing taxes; almost innumerable cities, all imposing taxes; and the tax records of every city, of every county, and of every State are public records, and, so far as I know, the tax records of the United States are public records except in the case of income taxes. They alone are secret. What is the reason for this secrecy? Why should we have secrecy in tax returns?

Again, Mr. President, what has been the result of this policy of secrecy in connection with income-tax returns? It has become almost a public scandal. In 1921, there were refunded in taxes by the Treasury Department, in round numbers $28,000,000. In 1922 they refunded $48,000,000 and in 1923 $229,000,000. They went so far beyond the estimate that we have just passed a bill—I do not know whether the bill has actually become the law now—but we have just passed a deficiency bill appropriating the enormous sum of $105,000,000 for the purpose of refunding taxes that have been declared illegally assessed and collected. What kind of a department have we down there that in one year has illegally assessed against the citizens of the United States $229,000,000 of taxes? Is it any wonder that there is to be an investigation of the department that is so inefficient, so utterly incompetent, that it makes mistakes and admits it has made mistakes in the assessment of taxes in the enormous sum of $229,000,000 in one year?

Were they refunded openly? Were these refunded after a public hearing? Oh, no. They were refunded only after a secret hearing. The taxpayer makes a claim to clerks in the Internal Revenue Bureau, and if he is able to convince those clerks that such taxes should be refunded, the matter goes through, and thus hundreds of millions of dollars are being returned to taxpayers without a public hearing, without it being judicially passed upon. All other claims against the Government have to go before a public tribunal. These claims alone do not have to go before a public tribunal. In like manner, claims for abatements are made by taxpayers. They are passed upon by clerks in the department, and I mean no offense when I speak of clerks. Some of the best men I know are engaged in this business.

Mr. WATSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Indiana?

Mr. McKELLAR. I yield.

Mr. WATSON. Is the Senator aware of the fact that while the refunds amounted to $123,000,000——

Mr. McKELLAR. There was $124,000,000 appropriated in the previous bill and there is a deficiency bill now before the Congress, which means that there will be, by July 1, 1924, the end of the fiscal year 1923, $105,000,000 more refunded.

Mr. WATSON. But for 1917 and 1918, which were the great years when all this difficulty occurred and all these complexities arose that had to be solved, the refund of taxes amounted to $123,000,000. However, in going over all of those tax returns, they collected the additional sum of $600,000,000 for the Government, while at the same time they were refunding $123,000,000 to the taxpayers. The largest of them all, $9,000,000, to any one individual was the result of a decision of the Supreme Court of the United States.

Mr. McKELLAR. The Senator talks about there being $600,000,000 additional collection of reassessments that were made by us. I think I have seen those figures, but the amount of abatement that has been allowed to the taxpayers of the country upon claims largely exceeds the enormous sum that has been paid in refunds. So that I doubt, from the figures we have been able to obtain, whether we have really gained anything or not. We have to use a gimlet in order to extract any information from the department about it. For a long time the Secretary of the Treasury refused or failed to give any information about it. I had to offer a resolution. I had resolutions passed twice in this body before we could get any information about it, and the amount of the abatements and of the refunds is probably more, I will say to the Senator, than the amount of additional taxes collected.

Mr. WATSON. But in the first place there are no figures for the total abatements——

Mr. McKELLAR. Oh, no, the Treasury Department is not giving them to us. I have asked for them time and again and did not get them. I did get figures as to the refunds, and the only reason why I could get those figures was because in an old law it was provided that the figures should be prepared and sent to the Speaker of the House of Representatives. The Speaker of the House of Representatives told me that he had sent them to the chairman of the Ways and Means Committee. When I went to the chairman of the Ways and Means Committee for them he said that they were buried in some cellar. I went to the cellar for them, and when I finally got them I published them. That was the only way I could get them. I understood from the gentleman who actually made the investigation of them in the cellar that the Treasury Department did not want them turned over to me even under those conditions, but they are in the RECORD. The enormous amount of refunds for the last three years aggregated over $24,000,000 in 1921, $48,000,000 in 1922, and $229,000,000 in 1923, amounting in the aggregate to the enormous sum of approximately $300,000,000.

Mr. WATSON. I am trying to tell my friend some facts about the situation.

Mr. McKELLAR. I hope the Senator has them. That is what we have been trying to get from the Treasury Department. I hope the Senator from Indiana has the information.

Mr. WATSON. It is easy enough to charge dereliction of duty in the collection of a vast sum, and especially when billions of dollars of taxes had to be collected by a department wholly inadequate from the time of the beginning of the war.

Mr. McKELLAR. We collected a great many more taxes than that during the war and by the same department.

Mr. WATSON. No; that is when the trouble occurred, in 1917 and 1918.

Mr. McKELLAR. Oh, no; the Senator is mistaken about that.

Mr. WATSON. That is when practically all of the trouble occurred.

Mr. McKELLAR. Oh, no; the Senator is mistaken.

Mr. WATSON. No; I am not. I know exactly what I am talking about.

Mr. SMOOT. The reports were all made in those years.

Mr. McKELLAR. The abatements occurred to a very great extent during that time.

Mr. WATSON. The department keeps no figures as to the total amount of abatements, because that is a purely temporary question. A man comes in and for some cause or other wants the question held up.

Mr. McKELLAR. The Senator said abatements are temporary?

Mr. WATSON. Certainly.

Mr. McKELLAR. They may be temporary, but the claims for abatements are the most effective way of the rich taxpayer withdrawing funds from the Treasury that ought to be retained in the Treasury.

Mr. WATSON. That is another assertion, if my friend will permit me in all kindness to say, which is unfounded.

Mr. McKELLAR. I challenge the Senator to bring from the Treasury Department the claims allowed as abatements and the names of those to whom abatements were given. I challenge him to do it. Will he do it?

Mr. WATSON. If my friend will permit me to make an assertion——

Mr. McKELLAR. No. I want to know if the Senator will bring them.

Mr. WATSON. No; because they are not kept as the Senator thinks.

Mr. McKELLAR. Not kept?

Mr. WATSON. On all these questions of refunds and abatements, when they were settled, there were $123,000,000 of refunds and $600,000,000 of additional taxes collected after all the proposition of abatements had been determined. A taxpayer comes in, whether he be rich or poor, and makes a statement upon which he asks for a reaudit, and they simply hold up the final decision until a reaudit is given. That is an abatement. It is not a final settlement of the question. It does not finally determine the amounts to be paid, but when it is all said and done and all the declamations shall have been indulged in, the fact remains that $123,000,000 has been refunded and $600,000,000 of additional taxes collected, and that is the sum and substance of it all.

Mr. McKELLAR. That is not the sum and substance of it all. The Senator from Indiana is not at all informed about the matter. I ask him to read the letters of the Secretary of the Treasury that were published in the RECORD on March 12, 1924, and he will see how mistaken he is. The Senator says they do not keep a record of abatements.

Mr. WATSON. Oh, no.

Mr. McKELLAR. I am a taxpayer. A reassessment is made on the ground that I have not given a proper return. An inspector is sent to my home and an examination is made and I am reassessed, say, for $100,000 taxes. Of course, that could not be in my case because I have no such fortune. But suppose it is done; I come here by my agent or by some former employee of the Treasury Department and get that claim for abatement allowed.

Mr. WATSON. Will my friend permit me?

Mr. McKELLAR. Then the Senator from Indiana says in a case like that, though I have escaped the $100,000 of taxes that have been reassessed against me, that the Treasury Department does not even keep a record of it.

Mr. WATSON. Oh, no.

Mr. McKELLAR. If it does not keep a record of it, it ought to keep such a record.

Mr. WATSON. The Senator from Indiana did not make any such statement.

Mr. McKELLAR. If the Senator will look at his remarks in the RECORD he will see that is just what he said.

Mr. WATSON. The Senator from Indiana, of course, knows——

Mr. McKELLAR. If the Senator does not think that is so when it is submitted to him in its exact form, then I am glad to have him change his position.

Mr. WATSON. The Senator from Indiana is perfectly familiar with the operations of the Treasury Department.

Mr. McKELLAR. I am glad to hear that.

Mr. WATSON. I am a Member of the Committee on Finance and I have some knowledge of the situation. The Senator from Indiana knows that each separate record of abatement of course is kept by itself, but no compilation of the total amount is kept. No compilation of the amount is kept because it is purely a temporary proposition.

Mr. McKELLAR. The Senator says he is familiar with it. He is on the Finance Committee, and, of course, he is one of the leaders on the floor and one of the keynoters of the Republican Party.

Mr. WATSON. Oh, no.

Mr. McKELLAR. Will the Senator furnish a list of the abatement claims or a copy of the abatement claims that have been made for 1923? The Senator does not answer.

Mr. WATSON. I did not hear the Senator's question. My attention was diverted.

Mr. McKELLAR. I asked if the Senator will see that the Treasury Department furnishes the Senate with the abatement claims for 1923 that were allowed.

Mr. WATSON. They would have to go through every case of abatement and it would take weeks and weeks to do it. What is the difference whether or not a claim was abated?

Mr. McKELLAR. I will tell the Senator what the difference is. The difference is between an honest collection of the revenue of the country that has been imposed by the Congress and one that is partial and shows favoritism.

Mr. WATSON. Not at all. In other words, a far greater number of cases that were abated were finally decided against the taxpayer than were decided in favor of the taxpayer.

Mr. McKELLAR. The Senator says there is no record kept. So how can he make that statement?

Mr. WATSON. The Senator did not say there was no record kept. I have repeatedly stated that there was a record in each case kept, but no record of the compilation of the total amount.

Mr. McKELLAR. Why ought not such a record be kept?

Mr. WATSON. Because it would involve an endless amount of work for no purpose. Why should it be done? Has the Senator any idea in the world of the vast amount of work done in the Treasury Department?

Mr. McKELLAR. Of course, and I know, too, the vast body of men employed down there to do the work. We furnish all the necessary employees to do that work and they ought to do it. If they have not the information as to abatements, one of the most important things in the department, so far as revenue is concerned, they ought to have kept it. I believe if the Senator from Indiana would make inquiry he would find that they have the information and could furnish the information, but when it is furnished it will be found that the abatements so far exceed what has actually been collected on reassessment that it would show a condition that they do not want to have shown.

Mr. KENDRICK. Mr. President——

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Wyoming?

Mr. McKELLAR. I yield with pleasure.

Mr. KENDRICK. In connection with the question of publicity, I am in favor of publicity as provided in the amendment offered by the Senator from Nebraska [Mr. NORRIS]. I want to ask the Senator from Tennessee if he does not believe that in the interest of fairness to the taxpayer some provisions more satisfactory than the present ones should be made for levying an increase on one's taxes. In all the cases that have been brought to my attention the taxpayer is first notified that his taxes have been increased, without giving him any hearing whatsoever in connection with such increase. Some provision should be made which would give him a hearing before an increase in taxes is levied. I ask the Senator if he does not believe that such an arrangement, either through administration or provision of law, would go a long ways toward correcting the return of taxes?

Mr. McKELLAR. I agree with the Senator entirely, but I merely wish to point out to him what is done. The Senator from Wyoming, we will say, makes out a tax return for some corporation with which he is connected. That return is examined by some employee of the Internal Revenue Bureau, who then sends an inspector to Wyoming or designates an inspector who is already in Wyoming, to examine into the accounts of that corporation. That inspector acts secretly; there is no openness about it; he can take just what course he pleases. He usually goes over the books and makes an assessment. It is done secretly. He sends his report here to Washington and his assessment is placed on the tax books. He increases the assessment, he increases the amount of taxes, and that increased assessment of the tax is sent to the collection district of which the Senator's State is a part, and frequently without any knowledge of the taxpayer. Then the taxpayer's only recourse is to send a man all the way to Washington to look into the matter.

Mr. KENDRICK. He usually has to send an attorney.

Mr. McKELLAR. It is usually an attorney who is selected, or a man who has been in the tax bureau and is no longer there; some man who practices before the Internal Revenue Bureau. He goes to see a clerk or perhaps two clerks. By the way, I have no complaint to make of them; they are very nice gentlemen. But there is a secret hearing on the taxes of the corporation in which the Senator is interested; the matter is passed on in secret. When it is over, a statement of the amount of the tax which has been assessed is sent to the Wyoming district; and the Senator's corporation has got to pay it outright or pay it under protest, and then sue the Government in order to get it back.

Now, Mr. President, the Senator is exactly right in his position that in such cases as that there ought to be a tribunal which is open, just as open as is any court, where the Senator may go or where the Government may go and undertake to collect the taxes from the Senator's company, if the tax is due; but after the Senator has made his return, after it has been examined into, and after he has paid his taxes, the matter certainly ought not to be opened up in secret in any such way.

Mr. KENDRICK. Mr. President, it seems to me it could hardly fail to be a public benefit to have these records made public.

Mr. McKELLAR. That is absolutely true.

Mr. KENDRICK. And at the same time, I see no reason why, in the interest of fairness, the taxpayer should not be given a hearing before his taxes are increased.

In connection with the method of procedure at this particular time, I desire to say that it involves a trip of 2,020 miles from my home town to Washington in order to correct an increase which has been made by the Government even though it were made in error.

Mr. McKELLAR. Not only that, Mr. President, but when such increase is made it is done secretly; the whole proceeding is in secret. The taxpayers do not know of it. There are innumerable rules in the Treasury Department, none of which are published, none of which the public knows. The officials of the department pass upon those rules and regulations and are familiar with them, of course, but cases are often times settled on such rules of which the taxpayer never heard, and which have never been submitted to him.

Mr. KENDRICK. Mr. President, I merely wish to say one more word about this matter. I am one of those who are not sitting in judgment upon the Treasury Department. I believe that the officials of that department are enforcing the law as nearly with integrity as they know how, and under very great difficulties, because the income tax law is even yet an innovation in our country, and there are many complications connected with it. I have been unable in the past, however, and I am now unable, to see any good reason why the present arbitrary method of raising one's taxes without first giving him a hearing, should be employed.

Mr. SMOOT. Mr. President——

Mr. McKELLAR. I yield to the Senator from Utah.

Mr. SMOOT. I wish to state to the Senator that every taxpayer now has that right if there is a question raised as to the amount of taxes due. The Senator would not have the law require that the taxpayer should be present when his tax returns are examined, would he?

Mr. KENDRICK. No.

Mr. SMOOT. Just a moment. There is a just criticism offered by the Senator in relation to the taxpayer having to come here or to send somebody here in case there is a dispute as to the amount of his taxes. Such disputes, of course, arise, but in this bill we provide a tax-appeal board; and some of the members of that board will sit somewhere near the State of Wyoming, perhaps in Wyoming, or in Utah, or in Colorado, so that the cases which arise in that section can be considered by the appeal board without the taxpayer coming near Washington.

Mr. KENDRICK. Mr. President——

Mr. McKELLAR. Allow me just a moment to answer the Senator's suggestion. The Senator from Utah says that under this bill we are going to send out a nomadic court or board.

Mr. SMOOT. Yes.

Mr. McKELLAR. Does the Senator mean to tell me that the committee has returned to the tax-collection principles and laws of Henry VII of England? That was the way in which he proceeded.

Mr. SMOOT. No; Mr. President.

Mr. McKELLAR. Henry VII was known as the greatest tax collector in the world, and the way he proceeded was to send out from his office in London a nomadic court, which went around and levied and collected taxes from the various citizens in his dominions. I hope the Senator from Utah has not reintroduced the principle and policies of tax collection of Henry VII.

Mr. SMOOT. I should like to say a word further to the Senator from Wyoming [Mr. KENDRICK].

Mr. McKELLAR. Very well.

Mr. SMOOT. I wish to say to the Senator from Wyoming that the taxes for the year 1917—and that is the year in which the first tax returns which amounted to anything were made—are the ones that are not settled up to date. They have involved more time and more expense than have the tax returns for all the other years put together, with the exception of the year 1918.

Mr. McKELLAR. Mr. President, the Senator knows that there is a five-year limit.

Mr. SMOOT. Oh, well——

Mr. McKELLAR. Wait one moment. It has been said by the Senator from Utah and the Senator from Indiana that most of the tax claims and most of the contested tax payments arose during the years of the war. Why, Mr. President, every tax claim brought about by the war has been barred by the statute of limitations for more than 18 months.

Mr. SMOOT. The Senator says that, but he does not mean it.

Mr. McKELLAR. Yes; I do mean exactly that. There is a five-year limitation, and this is 1924 and not 1922.

Mr. SMOOT. I will tell the Senator that waivers were made in those cases; and if waivers had not been made suits would have been started.

Mr. McKELLAR. But there were not many of such cases.

Mr. SMOOT. That action was taken before the present administration went into office. I never talk politics here when I talk business, and this is business and not politics; and I want to state to the Senator——

Mr. McKELLAR. I think it is very fine political business—that often certain taxpayers of the country can get refunds utterly out of proportion, in my judgment, to what is due.

Mr. SMOOT. The refunds amount to about 2 per cent of what we have collected.

Mr. McKELLAR. The Senator and I can not agree as to that.

Mr. SMOOT. No; but the figures will speak for themselves.

Mr. KENDRICK. Mr. President——

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Wyoming?

Mr. McKELLAR. I yield to the Senator from Wyoming.

Mr. KENDRICK. I can understand very well that the arrangement for the appointment of this board, to which reference has been made, to sit in different sections nearer to the taxpayers would prove a great convenience and a great economy.

Mr. SMOOT. There are to be not more than 28 members of the board for two years, and I wanted to explain to the Senator the reason for that.

Mr. KENDRICK. The thought I have in connection with the increasing of one's taxes is that notice might very well be given to a taxpayer that it appears to the department he owes a certain additional amount in taxes; but I insist that that increase should not be made until an examination has been had in a public manner of the facts in connection with the increased assessment.

Mr. SMOOT. That is exactly what will be done under this bill. It provides for a 60-day notice, and no action can be taken for 60 days.

Mr. KENDRICK. The Senator will remember that such a rule applies even in the counties of our States. When it is proposed to increase the taxes of a taxpayer he is given a hearing before the increase becomes effective. In income-tax cases, however, according to the circumstances which have been brought to my attention, almost invariably the taxpayer has no thought or idea that his taxes are to be increased until he is notified to pay. I say that is unfair to the taxpayer.

Mr. SMOOT. Under this bill that is prohibited, I will say to the Senator, and the taxpayer is given 60 days. There will be a hearing before an impartial board, and no action can be taken by the Government until after the 60 days have elapsed.

Mr. KENDRICK. I am glad to hear that is true.

Mr. McKELLAR. Mr. President, all other claims against the Government, except tax claims, have to go before a public tribunal. Tax claims, the most important of all claims to our citizens, are alone singled out to be determined in secret.

In like manner claims for abatement are made by taxpayers, and they are passed upon by clerks in the department. I mean no offense when I speak about clerks, for some of the very best men I know are engaged in this business in the revenue office. They are high-minded, conscientious, splendid young men, and I am not complaining of them. I am complaining, however, of the system of secrecy under which they work. They work in secret and their findings are in secret. They do not even advise the taxpayer until it is all settled what it is proposed to assess him.

Mr. SMOOT. Mr. President——

Mr. McKELLAR. I yield.

Mr. SMOOT. I wish to ask the Senator what he means by secrecy? Does he mean that the thousands of workers here in the Treasury Department shall at the close of each day make public what they have accomplished, or does he mean that they should not perform any work unless the taxpayer, or some representative who wants to know what they are going to do in connection with tax returns, is present? I do not think the Senator believes that that would be at all feasible.

Mr. McKELLAR. Oh, no, Mr. President. I will tell the Senator and the Senate what I believe as to how it should be done. As to the enormous claims for abatement, amounting to hundreds of millions and perhaps billions of dollars, and the enormous claims for refunds, amounting to over $200,000,000 this year, there should be a public tribunal before which the honest taxpayer may go and receive what he is entitled to, namely, a public hearing. There should be a tribunal, in the nature of a court, where a taxpayer may go and be heard and receive what he is entitled to, and where the Government of the United States may receive what it is entitled to. I am opposed to a department or bureau passing upon these enormous claims in secret, where the public is not to be taken into consideration, and where oftentimes not even the taxpayer is taken into consideration.

Mr. President, these tax records are all secret; the results are all secret; the refunds are all secret; the abatements are all secret. It is contrary to the policy and genius of American institutions to have these enormous sums either abated or refunded by secret departmental acts. It has gotten to be a scandal. It has been openly charged—with how much truth I can not say—but it has been charged time and again that the rich taxpayers having a "pull" can get refunds when the poorer taxpayers are unable to do it. We should not permit a system that will lead to this kind of a charge. We should not permit a system that on its face smacks of favoritism in government. We should not permit a system that will so readily give rise to fraud and wrongdoing in the matter of taxes.

Mr. President, it is no crime to be a rich man or a rich woman. On the contrary, if riches are obtained honestly, it is a very great credit to any person to have them. It is not necessary for these riches to be covered up. There is no reason why their possession should not be publicly known. It casts no odium upon the person who owns the riches, and therefore there is no reason why the Government should enter into a contract to keep secret the tax returns of its taxpayers. It ought to be a matter of great pride to one who has honestly made his or her wealth, who has honestly received it, for the public to know that he or she has this wealth. Mr. President, the whole purpose of secrecy is to get favors. There can be no other reason for it. There can be no other excuse for it; and favors in government should not be given. All taxpayers should be treated alike.

Mr. SMOOT. Mr. President, will the Senator yield to me?

Mr. McKELLAR. I yield.

Mr. SMOOT. Why was not the Senator interested in this question after the passage of the laws of 1917 and 1918? Why did he leave the matter until 1924 and then talk about it?

Mr. McKELLAR. Ah, Mr. President, the Senator knows perfectly well that in 1921, when the last revenue bill was passed, the Senator from Nebraska [Mr. NORRIS] and I made identically the same fight that we are making here to-day; and I will stop here long enough to give the names of the Senators voting on the matter on that occasion. It was voted on on November 7, 1921, just the time when the Senator said I ought to have made the fight, and I did make the fight at that time.

Mr. SMOOT. The Senator——

Mr. McKELLAR. Let me finish this.

Mr. SMOOT. But that was the question of making the records public.

Mr. McKELLAR. Yes; making public tax returns; and whenever you do that you have cured this situation.

Mr. SMOOT. Mr. President——

Mr. McKELLAR. I will yield to my friend, but I want to put in here just what the Senator has called out, and I will ask him to wait for just a moment.

On the Norris amendment—and it was substantially the same amendment that this is, almost in words exactly the same—there were 28 yeas and 34 nays.

The yeas were:

Ashurst	Jones, N. Mex.	Myers	Reed
Broussard	Jones, Wash.	Norbeck	Sheppard
Capper	Kenyon	Norris	Shields
Fletcher	King	Overman	Stanley
Gerry	La Follette	Pittman	Swanson
Harris	McKellar	Pomerene	Walsh, Mass.
Heflin	McNary	Ransdell	Walsh, Mont.

The nays were:

Ball	Frelinghuysen	Nelson	Smoot
Brandegee	Gooding	New	Spencer
Bursum	Hale	Newberry	Sutherland
Cameron	Keyes	Nicholson	Townsend
Curtis	Lenroot	Oddie	Warren
Edge	Lodge	Penrose	Watson, Ind.
Ernst	McCumber	Phipps	Willis
Fernald	McKinley	Poindexter	
France	Moses	Shortridge	

Mr. President, the Senator wanted to know why I was not fighting for this publicity at a time when a fight might be effective. I was fighting for it then, and at that very time the Senator from Utah by his vote and by his speeches was undertaking to defeat the very publicity that we are now talking about.

Mr. SMOOT rose.

Mr. McKELLAR. I will yield to the Senator in a moment, but before I do so I want to read another list. The one Senator who was defeated who voted "yea"—that is, in favor of publicity—was Mr. Pomerene, and here is a list of those who were defeated who voted "nay":

France	McCumber	Newberry	Sutherland
Frelinghuysen	New	Poindexter	

All of them were defeated. I do not mean to say that they were defeated on this question; but I am calling attention to the fact that eight Senators were defeated who voted against publicity as against one who was defeated who voted for publicity.

Mr. WATSON. Mr. President, does the Senator honestly think, down in his heart, that anybody in the States of either one of those Senators ever mentioned that as an issue?

Mr. McKELLAR. They may not have, but it indicates the general trend of senatorial conduct. It indicates the reactionary view that those Senators had, which reactionary view, in my humble judgment, brought about their defeat.

Mr. WATSON. That is going a long way to make an answer, or a pretended answer, to my question. Does the Senator really think, now, back in the back part of his head, that that question was ever mentioned by anybody in the campaign in any of those States as a reason why that Senator should be defeated, or that any Senator who voted "nay" on that question ever lost a single vote on that account?

Mr. McKELLAR. Yes; I think this was one of the votes cast by these gentlemen, taken with others, all of a similar reactionary nature, that brought about their defeat; but I want to say, for the benefit of my distinguished friend from Indiana, whom I love very dearly, who is always in a good humor and always smiling, that I hope when the next election rolls around in which he is interested the voters will be thinking about other questions and not about this, and that the Senator may escape.

Mr. WATSON. I thank the Senator; but it is entirely agreeable to me to have them think about that question, because I propose to vote precisely as I voted before and, if necessary, to defend it on the stump.

Mr. McKELLAR. I am quite sure of that. I think the Senator, however, will have a very hard time defending on the stump a position in favor of secret tax imposition, secret tax assessment, secret tax collection in this country, regardless of who it is that the taxes are assessed against.

Mr. SMOOT. Mr. President——

Mr. McKELLAR. I yield to the Senator. I will say to the Senator before he starts, however, that though I find his name here as voting "nay," just as he is going to vote "nay" in a little while, I hope personally that he will escape the penalty of having voted against the best interests of the American people.

Mr. SMOOT. Mr. President, I have been up for election since that vote, and it did not worry me. The Senator, however, mentioned Senator Sutherland. Senator Sutherland did not run since 1916, which was about five years before the vote to which the Senator refers.

Mr. McKELLAR. This vote was in 1921, and Senator Sutherland and all the other Senators that I have mentioned here ran in 1922 and were defeated. I am talking about Senator Sutherland of West Virginia. There are other Sutherlands besides the distinguished and splendid former Senator Sutherland of Utah.

Mr. SMOOT. Oh! I apologize to the Senator.

Mr. McKELLAR. That is all right. I knew the Senator just had them mixed up.

Mr. SMOOT. I thought the Senator referred to Senator Sutherland of Utah.

Mr. McKELLAR. I am sure of that.

Mr. McLEAN. Mr. President——

Mr. McKELLAR. I yield to the Senator from Connecticut.

Mr. McLEAN. Has the Senator from Tennessee any objection to having incorporated in the RECORD at this time and read a letter written by the present chairman of the Democratic National Committee, the Hon. CORDELL HULL, to Mr. MILLS, of the House of Representatives, on this subject?

Mr. McKELLAR. I have no objection to its being put in the RECORD, but I want it to go in, not in my speech, but in the other part of the RECORD. I shall be glad to have the Senator compliment the distinguished chairman of the Democratic National Committee, Mr. HULL, who is my warm friend, and one of the best men in the country and one of the ablest men in the country. I shall be delighted if the Senator will put it in the RECORD and let is be published in the part of the RECORD where it should be published.

Mr. McLEAN. I have no doubt the Senator has very great respect for Mr. HULL's opinion.

Mr. McKELLAR. I have great respect for his opinion. I do not always agree with him, but I have great respect for him.

Mr. McLEAN. I should like to have the letter put in now, because it relates to this very subject.

Mr. McKELLAR. I am perfectly willing to have it put in, but not in my speech.

Mr. McLEAN. I will ask to have it read by the Secretary.

Mr. McKELLAR. Let it go in under the rule, Mr. President.

The PRESIDING OFFICER. The letter will be printed in the RECORD under the rule.

Mr. McLEAN. I want it read.

Mr. McKELLAR. Oh, no; I am not going to have it read at this time.

Mr. McLEAN. I will read it when the Senator finishes, then.

Mr. McKELLAR. All right.

Mr. President, it has been truly said that the science of taxation is the science of government. It is the one all-important thing in government. It is the most important thing in government. Without it there can be no government; and yet this Government has adopted the policy of secrecy, of covering up the sources from which it gets the taxation, and in doing so, in my judgment it violates every principle of honest, free, open government, and such a course ought not to be tolerated for a moment. This policy of secrecy leads to frauds. It leads to impositions upon the Government. It leads to impositions upon the taxpayers. It leads to evasions of taxes. It leads to ignorance in assessing and collecting our taxes. The Congress can not properly deal with the subject of taxation when they do not know what the real facts are about taxation. We have no such actual information about taxes in our country that we can really intelligently deal with the subject, and we can not have such information until this policy of secrecy in the assessment and collection of taxes is done away with and a policy of publicity established.

Look at the present situation. If a billion dollars of claims for abatement of taxes were allowed last year, is not that a fact that Congress should know about? If the revenue department abated a billion dollars in taxes last year, or half a billion dollars in taxes last year, or even $100,000,000—and nobody estimates the figure as low as that—ought not Congress to know it? And how can we deal intelligently with it unless we do know it? Yet we have covered it up ourselves. We tell the Secretary: "You take charge of the tax returns. You are the only one that is permitted to read them, to see them, to know about them." No other person in this country has the right to look into them. Not even the Senators, not even the Congressmen, not even our committees, are permitted to do it. It is a policy of secrecy that we ought not to permit to go on for one moment longer.

Three years ago, Mr. President, there were many of us who fought for this policy of publicity—not a halfway publicity, not the kind of publicity under which a Senator or Congressman can take his hat in his hand and go up to the Secretary of the Treasury and say, "Mister, please let me look at your books"; not the kind of publicity that requires a committee of the Senate to pass resolutions and then merely get a peep at the records, but the kind of publicity that will mean something, that will mean honest imposition of taxes, honest collection of taxes, a fair and just administration of the system of national taxation.

Surely the Government has nothing to hide. Why, then, should we continue this system of secrecy? I have been informed that no other government in the world has secrecy of returns except the United States.

Mr. McLEAN. Mr. President, precisely the contrary is the case.

Mr. McKELLAR. There is no other State in this Union that has secrecy of tax returns.

Mr. McLEAN. The Senator said "no other government in the world."

Mr. McKELLAR. What nation has it? Let the Senator state what nation has it. My information is that the other nations of the world all have open tax returns.

Mr. McLEAN. England, Holland, Denmark, Austria, Canada, France are among those.

Mr. McKELLAR. Among those?

Mr. McLEAN. And many others.

Mr. McKELLAR. Mr. President, that is not my information.

Mr. SMOOT. Well, that is correct.

Mr. McLEAN. I am giving as my authority the statement made by the chairman of the Democratic National Committee, and I understand——

Mr. McKELLAR. When was that made?

Mr. McLEAN. June 14, 1918.

Mr. McKELLAR. Mr. President, if it is made on that authority, I will just say that I will examine into it; but I am confident the chairman of the national committee made a mistake about it. Canada does not have secret returns, nor has Great Britain. That was six years ago, when the greatest war that ever occurred was on.

Mr. McLEAN. It ended shortly after that.

Mr. McKELLAR. The war was on in the year 1918, as I remember it, unless I am very greatly mistaken. The Senator is mistaken about the war not going on at that time. Armistice day was November 11, 1918.

Mr. McLEAN. We all remember that date. I said just before the close of the war.

Mr. McKELLAR. What was the date?

Mr. McLEAN. November 11, 1918.

Mr. McKELLAR. I know that was the date of the armistice, but I want to know the date of the letter.

Mr. McLEAN. June 14, 1918.

Mr. McKELLAR. I may be mistaken and the Senator may be right, but, as I recall it, the war was going on on June 14, 1918; but we will dismiss that as purely immaterial. I want to say this: That there are 48 States in the Union, and many of them have income tax laws, and in not a State in our Union do we have secret tax returns as to income taxes or any other

taxes. In the very nature of things the taxes that are paid by citizens ought to be a matter of public record which any citizen should have a right to examine into. I believe that should be the rule.

As illustrative of what the secrecy of tax collection does, just a month or two ago the Secretary of the Treasury wrote a letter to me saying that he had not undertaken to enforce section 220 of the act, by which an attempt was made to prevent evasions of the income tax law. He said he had been advised by many lawyers, not his own lawyer, not the Attorney General of the United States, not the solicitor of his department, but by many lawyers—and who the many were we do not know—that this provision of the tax law was unenforceable.

Mr. President, if we had publicity of tax returns that section of the law would have been enforced just as any other section of the law was enforced, or the Secretary of the Treasury would have filed a bill in the proper court, or would have caused a bill to be filed in the proper court, having the courts construe the statute before he permitted that section to be violated or evaded.

If Senators vote to-day to put the Norris amendment into this bill providing for publicity of tax returns there will be no more sections of any revenue law declared unconstitutional and void or nugatory upon the advice of many lawyers, or of any lawyer, in my judgment.

What we need, so that all taxpayers may be treated fairly and alike, is for the light of publicity to be turned upon tax returns. What has anybody to fear? Why is anybody fighting? Why is it that the department fights against publicity? Why are Senators who are in control of the Government against publicity? What is there to be concealed about tax returns? Why should we conceal from the public documents that are inherently public records? When those records are made, when taxes are paid under those records, they are public property, and this bill declares them to be public property. Yet, after declaring them public property, it is said that nobody can see them. Let me read the provision of this bill. Listen to this:

> Returns upon which the tax has been determined by the commissioner shall constitute public records.

That is in the present law, and it is proposed to put it into the law we are about to enact. Then Senators say that they can only be examined under rules and regulations established by the Secretary of the Treasury and approved by the President. You do graciously permit, not in the old law, not in the secret law you voted for in 1921, but yielding a small amount to public opinion, in this bill you do graciously agree that committees of the two Houses of Congress may have a squint at them if they act pleasantly and graciously and do not find anything in them.

You, gentlemen, even have that in the secret law which you passed three years ago, but you found that eight of those who voted against publicity went down in ignominious defeat the last time—I should say nine of them; I left one of them out. Seeing the Senator from Minnesota, I recall that there is another one. You still declare them public records, but then say that they shall only be examined by a committee of Congress, and whenever a committee of Congress wants to examine them you denounce the members of the committee, although three out of five are members of your own party; you denounce them as being muckrakers, meddlers, inquirers into something they ought not to inquire into.

That is the kind of law you are passing for the American people, when about the most important thing they have is their tax returns. The most important thing in Government is the tax returns, and you declare them to be public records, and then say the public can not see them. You declare them to be the property of the United States and then will not permit anybody in the United States to see them.

It is a manifest subterfuge and virtually a fraud upon the American people to put anything like that in the law. Why do you declare them public records if you are going to keep them secret? You do keep them secret.

Mr. President, there is but one way in the world that taxes can be fairly and honestly collected, and that is under a system of publicity. I have read already the list of Senators and how they voted on this before. The proposal to make the records public was lost by 7 votes. I hope the changes that have come in the Senate will be sufficient to bring about publicity of tax returns, and that the amendment of the Senator from Nebraska may be adopted.

Mr. McLEAN. Mr. President, the Senator did not mention my name as one of the candidates for the Senate who was defeated two years ago. I was reelected, and it is probable that it was largely due to the fact that I had as high Democratic authority as there is in the country in favor of keeping these tax returns secret.

I ask that this letter, written by the Hon. CORDELL HULL, be read into the RECORD. I think everyone who is acquainted with Mr. HULL or knows about his record in the House will agree with me that he is probably as well posted on the subject of taxation as any man in either branch of Congress. I ask that the Secretary read this letter.

Mr. WILLIS. He is chairman of the Democratic National Committee.

Mr. McKELLAR. It has already been said that he is the chairman of the Democratic National Committee. He has been a Member of Congress from Tennessee for many years. He is one of the finest men in this country, one of the ablest men in this country, one of the most expert men on taxation in this country. He is really one of the authors of the income tax law. There is nothing too good to be said about Judge HULL by me. My vocabulary is not sufficient to say what I would say. I want to give him the credit for everything that the Senator has said about him, and then ten times more. But I say this, that no man is infallible, and if Judge HULL argues for secrecy of income-tax returns, or argued for it six years ago, he made a mistake.

Mr. McLEAN. I think he is qualified.

Mr. McKELLAR. Some men change their minds when they make a mistake. I hope——

Mr. WILLIS. Has Judge HULL changed his mind?

Mr. McKELLAR. I do not know. I did not know he had taken that position until the Senator from New Mexico said so, but with six years of added wisdom, six years of service to his country, six years of knowledge of how this thing runs, I hope he has changed his mind.

Mr. WATSON. My friend from Tennessee is as far off in his argument as he is in his geography when he places my friend on my left [Mr. McLEAN] as being from New Mexico.

Mr. McKELLAR. I said Connecticut, did I not?

Mr. WATSON. The Senator said New Mexico.

Mr. McLEAN. I hope the Senator from New Mexico agrees with me; I do not know whether he does or not.

Mr. McKELLAR. I apologize to the Senator.

Mr. JONES of New Mexico. The apology is due the other section of the country.

Mr. McKELLAR. I make it to both, then.

Mr. SMOOT. I want to say to my genial friend from Tennessee that that very letter was read into the RECORD when Congressman HULL was present, and he did not deny it.

Mr. McKELLAR. That may be so.

Mr. SMOOT. That was about two months ago.

Mr. McKELLAR. I imagine that the Senator from Utah, the Senator from Connecticut, and the Senator from Indiana are prepared to put Judge HULL's views on secrecy of tax returns in their party platform in order to defend themselves against the mistake they are going to make when they vote for secret tax returns here this afternoon.

Mr. WATSON. Let it be read.

The PRESIDING OFFICER. The Secretary will read.

The principal clerk read from pages 2956 and 2957 of the CONGRESSIONAL RECORD of February 22, 1924, as follows:

> WASHINGTON, D. C., *June 14, 1918.*
>
> MY DEAR SIR: May I venture to offer limited comment on the subject of the publicity of income-tax returns, which course has been rather vigorously urged from time to time by certain phases of sentiment in the country? I am not quite sure whether the chief reason advanced is that publicity would secure fuller and more accurate returns of taxable income, or whether it is based on the desire which has manifested itself more or less during recent years for unrestricted publicity of the affairs of business generally to the end that any improper trade policies, methods, or conduct might be exposed.
>
> If the demand for publicity rests on the former ground, I should like to set out some of the points of the opposing views; if it rests on the last ground, without regard to the effect of publicity on the success of the tax, I should like in this connection to suggest that, however desirable and necessary this character of publicity may be—and I strongly favor it to the fullest extent suggested by the public interest—the plan should not be coupled with and made a part of the general tax law unless it were calculated to sustain, rather than materially to injure, the operation of the tax law.
>
> Attention may be called to the enactment of the Federal Trade Commission act, one of the prime purposes of which was publicity of the inner affairs, private trade methods, trade practices, and conduct of business concerns whenever deemed to be in the public interest. This act, however, imposes penalties on any officer or employee of the Federal Trade Commission for divulging any facts of this character de-

veloped by the commission, unless first authorized to do so by the commission itself. The commission is only authorized to make public such portions of the information obtained by it "as it shall deem expedient in the public interest," and it is entirely prohibited from making public "trade secrets and names of customers." The report of the commission after an investigation of a business concern on charges of antitrust practices can only be made public in the discretion of the commission. It will thus be seen that careful restrictions against any general publicity are contained in the law, one of the underlying purposes of which is to expose to the condemnation of the public and, by appropriate official proceedings, to curb certain business practices, methods, or conduct, including that prohibited by antitrust and other legislation.

What is, or at least what should be, the main ground on which the policy of publicity of tax returns is urged is to secure fuller and more accurate returns of taxable income. The controlling purpose of any tax statute designed to secure a large revenue yield should be such satisfactory and effective administration as would secure the maximum yield, and no other plan or purpose should be allowed materially to hamper or handicap the law operating to this end.

In the abstract and at the first blush it seems most natural that these tax returns might or even should be subjected to any and every kind of publicity at all times. Assuming, as I have, that the Department of Justice, the Federal Trade Commission, and numerous other governmental agencies and authorities have been given ample statutory authority to deal effectively with any and all acts, trade practices, methods, or other conduct on the part of any citizen or business concern which the Federal laws have thought it wise to suppress or prevent. I have investigated and reached my individual conclusion with respect to the proposed general publicity of income-tax returns solely from the standpoint of the most satisfactory and successful administration of the income tax law and the securing of the largest possible yield of revenue. Viewed from this standpoint, I have been unable to bring myself to the conclusion that publicity would secure the most desirable revenue results. I may first refer to the experience of some governments which have tried out income taxation for the longest periods. England, after 75 years' experience with her present income tax law, retains her policy of keeping the results secret. There is no demand from any source, so far as I am advised, for publicity of English income-tax returns. Holland retains secrecy under her income tax law, which has been in operation some 25 years. Denmark pursues the same policy of secrecy under her income tax law, in operation for 14 years; Austria pursues the same policy under her law, enacted some 75 years ago; Canada's recent income tax law contains the same provision; France in her recent law has some form of secrecy, the exact nature and extent of which I am not definitely informed. This policy of these different countries, after many years' trial, is controlled entirely by the question of the most satisfactory administration and the largest revenue yield of their respective laws. They evidently have not felt justified in allowing considerations of collateral or other government policies, however strongly and plausibly urged, to effect a change of this policy.

Let us now turn to the United States. The first Civil War income tax acts did not prohibit publicity. The Commissioner of Internal Revenue early recommended a provision of secrecy to Congress. This was disregarded, however, until the income tax act of 1870 was enacted. A lengthy debate on this act occurred in Congress, during which Garfield referred to one feature of the income tax "which has made it very odious in many parts of the country," namely, publicity of returns. The outcome of the discussion was the insertion of a provision in section 11 requiring secrecy, and it became a law. The view on which this provision was inserted was that it would meet the complaint that income tax laws are inquisitorial and also that publicity often discloses secret trade processes, methods, etc., even though ever so legitimate, and that, therefore, a taxpayer would be more encouraged to make a full and complete return when he had the assurance that his trade secrets, processes, etc., would not be exposed to his competitors.

The strength, stability, and perpetuity of the income tax is based on the rather fixed opinion among the people generally that in both theory and practice it accomplishes relative fairness among the taxpayers more accurately than any other tax method thus far devised. Both now and after the war it is extremely vital that a tax method productive of a larger revenue than any other should be safeguarded by the most effective means. Whatever may be thought or said to the contrary, there is a phase of human nature which while entirely willing to make full and complete returns of income and pay taxes accordingly in the belief that all taxpayers are receiving equitable treatment is at the same time utterly averse to the idea of general publicity of private business methods and private business affairs. The States and the Federal Government can provide for investigations and full publicity of business methods, practices, and affairs generally by separate enactment, as has already been done to a measurable extent. Publicity at this stage, when business conditions and methods have become far more complicated and consist of a far greater variety than those in existence during and following the Civil War period, would be resented by the taxpayer to a correspondingly greater extent than it was during the operations of the Civil War acts. I strongly favor any and every kind of publicity needed with respect to all phases of our financial, commercial, and industrial activities, but I think it unwise in the light of almost universal experience in the past to discredit or break down the income-tax system or seriously jeopardize it by utilizing this law instead of some separate law or laws for publicity purposes.

The Federal income tax act of 1894 in section 34 reenacted section 3167 of the Revised Statutes, containing secrecy of returns, and without special opposition, so far as I now recall. In this connection it is my recollection that when this act was declared invalid by the Supreme Court the Treasury directed that all income-tax returns on file be burned. The Federal corporation excise act of 1909 contained a provision that the returns filed in the office of the Commissioner of Internal Revenue should constitute public records and be open to inspection as such. It was soon deemed wise in the interest of the more successful administration of the law to adopt secrecy, with the result that an appropriation bill which passed Congress in June, 1910, among other things provided that these corporation excise-tax returns should be open to inspection only upon the order of the President, under rules and regulations to be prescribed by the Secretary of the Treasury and approved by the President. The Treasury later in the year issued a regulation, which the President approved, restricting inspection of these returns virtually to certain officials of the Government under certain conditions and to stockholders of a given corporation which had filed its return. This regulation also provided that returns could only be inspected in the office of the Commissioner of Internal Revenue. This policy of secrecy was followed without particular objection or complaint until the repeal of the law.

The Federal income tax act of 1913 contains secrecy as to individuals, but allows inspection of corporate returns upon the order of the President, under rules and regulations prescribed by the Treasury and approved by the President, which was the same provision as that contained in the amendment to the corporation excise act of 1909. It contained the additional provision, however, that the proper officers of any State imposing a general income tax may, upon the request of the governor, have access to said returns or to an abstract thereof showing the name and income of each corporation, at such times and in such manner as the Secretary of the Treasury may prescribe. The President accordingly approved a Treasury regulation under the act of 1913 for the benefit of State officials whose States have a general income tax law. This regulation also allowed Federal officials and stockholders to make inspections under certain conditions very similar to the Treasury regulation allowing inspections under corporation excise act of 1909. The States, however, are only allowed, I believe, to secure the name of the corporation and its income. The character and extent of publicity of income-tax returns above described practically represents the present policy of publicity of the Federal Government under existing income tax law.

Wisconsin has the most modernized, successful, and comprehensive income tax law of any State. It contains a provision requiring secrecy of returns. A new, progressive income tax law of Massachusetts requires secrecy except as to the name and address of the taxpayer. It will thus be seen from the proven experience of foreign countries, of our Federal Government, and of the States, which have the most successful revenue-producing income tax laws and which have been able most successfully to overcome the objection of inquisitorialness, that secrecy of returns has been found essential to this result.

Another consideration and object lesson which arises in connection with the publicity proposal under our Federal law relates to the general property-tax systems in most of the States. It is a fact generally recognized that the general property-tax systems of most of the States have measurably broken down in their administration, with the result that personalty, and especially intangible personalty, almost entirely evades or avoids taxation. Some of the States, such as Connecticut, New York, Pennsylvania, Maryland, and New Hampshire, have always maintained the widest publicity of tax returns under their general property-tax systems, but this system has fallen down just as rapidly and extensively in those States as it has in other States where publicity was not practiced or permitted. This experience of the States with publicity proves, at least, that it was powerless to increase or even maintain the revenue yield, or to prevent the breaking down of the laws. This experience but illustrates that phase of human nature which discourages and gives but little credit to the informer, no matter how good or worthy his intentions. No tax or penal law the successful operation of which is dependent upon facts voluntarily furnished by informers, with or without pecuniary reward, can expect more than a precarious existence.

With respect to the question of securing information, the present income tax law specifically requires, under severe penalties, every citizen who has personal knowledge of the receipt of income by his neighbor or another citizen, by reason of having paid it, to transmit

such information in writing to the Commissioner of Internal Revenue, in all cases where the amount of fixed income exceeds $800, and in case of interest from corporate bonds without regard to amount. This provision, therefore, really provides for and requires all direct information, except what might be rumor and hearsay, save as to isolated items or as fixed income under $800.

There is still another condition arising from the operation of the present general property-tax systems of the States which should be considered by the Federal Government in determining the policy of publicity. It is a well-known fact that when a citizen undertakes to make a full return of his property at its full value the present general systems of the States impose a most severe penalty on his honesty by levying practically confiscatory rates, which amount to nearly 40 per cent of his income on the average. The result is that most citizens in the various States by general consent give in their real property at figures substantially below its value and their personality, on the average, at almost a nominal value. The tax rates of the States are now almost confiscatory when applied to full values, for the reason that they have been raised to considerable heights in order to secure adequate revenue from greatly scaled valuations of property which the citizens are now in the habit of giving in for taxation. From past experience it would appear but natural that if the citizen should make a full and complete return of his income for Federal taxation this would be equivalent to making a like full return to his State in many cases, and the result would be that he would undertake to make the same inadequate return to the Federal Government that he now makes to the States rather than to have the full value of his property subjected to the present practically confiscatory rates of the States. If it would assist the States in rehabilitating their present general property-tax systems and equalizing their tax burdens under these systems, I should strongly favor any reasonable sacrifice on the part of the Federal Government in aiding to bring about this situation; but if instead of revitalizing and putting into successful operation the grossly inequitable and broken-down general property-tax systems of the States, the effect of publicity would be likewise to discredit and more or less break down the Federal income-tax system, I am unable to discover any advantage or benefits which could be repaid either by the States or the Federal Government from such course.

Whenever the States reform their general-property tax systems, or whenever they adopt general income tax laws similar to the Federal law, there could and should be the fullest and freest cooperation between the States and the Federal Government in the successful administration of their respective laws, just as there is cooperation now with respect to State and Federal income tax on corporations.

My individual opinion is that the only effective method by which either the States or the Federal Government will ever be able to reach for taxation in full measure the income from personality, and especially intangible personality, will be under a system of so-called collection or retention at the source.

In conclusion I may call attention to the course of the Treasury Department under authority now given it by statute to compile and make public income-tax statistics. Under this statute the Treasury will give amount of the individual and corporate income as a whole, by States, by industries, by classification as to the number of taxpayers, amount of income and taxes paid as to classes of individuals, the percentage of the income of each to the total amount, as well as the percentage of taxes paid to the total, etc. This information, which will come out annually as to each preceding tax year, should meet practically every requirement, expectation, or desire of the public in considering and dealing with economic conditions, apportioning the tax burdens, and properly curbing or regulating any practice, method, or conduct of general business or any class of business.

Very respectfully, CORDELL HULL.

During the reading of the letter,

Mr. McLEAN. Mr. President, I wish we could have order in the Senate. It seems to me the letter is not only interesting, but sound.

The PRESIDING OFFICER. The Senate will be in order.

After the conclusion of the reading of the letter,

The PRESIDENT pro tempore. The question is upon the amendment proposed by the Senator from Nebraska [Mr. NORRIS].

Mr. McLEAN. Mr. President, the Senator from Tennessee [Mr. MCKELLAR] stated the amount of refunds for the year 1923 and for one or two other years. I think it might be interesting to have published in the RECORD at this point the total of the additional assessments and collections and refunds from the year 1917 down to the year 1923 and including the first three months of the year 1924. I make the request that they be published in the RECORD as a part of my remarks.

The PRESIDENT pro tempore. Without objection, it will be so ordered.

The matter referred to is as follows:

Year	Total internal revenue receipts	Amount of additional assessments and collections resulting from office audits and field investigations	Amount of refunds of taxes illegally collected
1917	$809,393,640.44	$16,597,255.00	$887,127.94
1918	3,698,955,820.93	29,984,655.00	2,088,565.46
1919	3,850,150,078.56	123,275,768.00	8,654,171.21
1920	5,407,580,251.81	466,899,359.00	14,127,098.00
1921	4,595,000,765.74	416,483,708.00	28,656,357.95
1922	3,197,451,083.00	266,978,873.00	48,134,127.83
1923	2,621,745,227.57	600,670,632.00	123,992,820.94
Total (7 years)	24,180,276,868.05	1,920,880,250.00	226,540,269.33
1924 (first 3 months)	694,083,590.02	113,820,881.00	35,624,968.73
Grand total (7 years, 3 months)	24,874,360,458.07	2,034,701,131.00	262,165,238.06

Mr. McKELLAR. I am glad the Senator has given that information. My figures were obtained from the Treasury Department in this way: There was received from the Secretary of the Treasury a letter which was published by me, in which he gave the total amount of refunds for 1923——

Mr. McLEAN. As being one hundred and twenty-three million and some hundreds of thousands of dollars.

Mr. McKELLAR. The amount was one hundred and twenty-three million and some hundreds of thousands of dollars?

Mr. McLEAN. Yes.

Mr. McKELLAR. Since that time there has been a deficiency bill passed by the House of Representatives and reported to the Senate and I think passed by the Senate—if I am wrong about that the Senator from Utah, who is on the committee, will probably correct me—but I think the bill has been passed; at any rate it will be passed, and carrying an appropriation of one hundred and five million and some odd thousands of dollars for the purpose of paying refunds between now and July 1 next.

Mr. McLEAN. That is for future and is based on estimates, I suppose?

Mr. McKELLAR. No; it is for deficiencies for the fiscal year 1923, and it was so stated before the committee. If up until this time or up until the time the Secretary wrote that letter and gave that explanation one hundred and three million and some hundreds of thousands of dollars had been paid out in refunds—and I take his word for it; I am sure he must be correct about it; I do not believe that he would furnish me figures which were wrong—and since that time there has been a deficiency appropriation of $105,000,000 in round numbers, by a simple calculation, $105,000,000 and one hundred twenty-three million and eight or nine hundred thousand dollars amount to about the sum of $229,000,000 of refunds for this year. If my figures are wrong the Secretary is responsible for the error, because I am taking his figures as he has sent them.

Mr. McLEAN. The statement from which I am about to quote, if the Senator will permit me, gives the total of the tax collected, the amount of additional assessments and collections and refunds for seven years, beginning in 1917 and ending on the 1st of April last.

Mr. McKELLAR. When did the refund end?

Mr. McLEAN. This statement includes the first three months of the year 1924. It extends to the 1st of April of this year.

Mr. SMOOT. That is for the fiscal year of 1924.

Mr. McLEAN. The total revenue receipts for the seven years and three months was $24,874,360,458.07; the total amount of additional assessments and collections resulting from office audits and field investigations was $2,034,701,131; while the total amount of refunds of taxes illegally collected was only $262,165,238.

It would not be fair to say that this very large sum of $2,000,000,000 and upward in additional collections was due to attempted frauds upon the Government; they were made possible because of underestimates; probably in many instances the additional collections were due to mistakes that were unintentional; but still, Mr. President, it is a very large sum of money which the Government has collected from the taxpayers of the country upon a reaudit and further examination of tax returns.

I think it very important that the Senate in passing upon this question should take into consideration the question of the revenue to be collected. We know from experience that when we place taxes too high the taxpayer will evade the tax. So

when we come to consider this matter we want to produce, if possible, the largest revenue yield; and that is the point which was stressed by Mr. HULL in his letter.

Mr. HULL considered this question free from any political interest of any kind. He is one of the ablest authorities on taxation in the country, and is so recognized. His letter goes back into the history of revenue legislation in other countries and in the States of this Union, and shows that experience has demonstrated the necessity of throwing a reasonable amount of protection around the tax returns. Otherwise, the taxing authority will lose very large sums of money. I think it very significant that in the State of Wisconsin it has recently been found necessary to provide secrecy for their tax return, for what reason I do not know; Mr. HULL does not state; but, as we all recognize that to be one of the most progressive States in the Union, I think it is safe to say that they have tried the experiment which seems just now to be so popular in the minds of Members of this body and have found, as other States have found and as other nations have found, that it occasions serious loss in revenue.

There is a reason for that. We all know that competitors in business—large business interests—can not afford to disclose all of their business secrets, and they ought not to be compelled to do so; yet, if these returns are made public in every particular, it seems to me that we add a thousandfold to the temptations which now exist for these companies and other large producers of the country to indulge in all manner of concealment rather than to let their competitors know their innermost trade secrets.

Mr. NORRIS. Mr. President, may I interrupt the Senator?

Mr. McLEAN. Certainly.

Mr. NORRIS. The Senator has referred to the action of the State of Wisconsin. I am not informed as to what the law of that State is or what change may have been made, and both of the Senators from Wisconsin are absent on account of illness, as the Senator knows. It is fair to say that those Senators would have some knowledge about the State of Wisconsin that none of the rest of us has, I take it, and as bearing on that subject I wish to call the attention of the Senator to the fact that since this amendment has been offered this afternoon I have been communicated with by a representative of the senior Senator from Wisconsin [Mr. LA FOLLETTE], who, it seems, was informed or found out in some way of this amendment and advised that, if present, he would vote for it. I was not aware that he even knew that the amendment was pending, but he found out that it was going to be offered, because the amendment that I have offered was printed a week or so ago.

Mr. BROOKHART. It was printed on April 24.

Mr. NORRIS. Yes. So, as I have said, since this amendment has been offered this afternoon I have been asked by a representative of the senior Senator from Wisconsin to announce that when the vote came on this amendment, if he were present, he would vote for it, and that he is paired with another Senator here in the Chamber.

I have not heard from the junior Senator from Wisconsin [Mr. LENROOT], but when he voted on this question at a previous time, as I remember, he also voted for the amendment. I may be wrong about that, but we can ascertain the fact by looking up the RECORD. It seems to me, therefore, that, so far as Wisconsin is concerned, the best evidence we have here of how the people of Wisconsin are satisfied with the proposal I have made would be the vote of the Senators from that State, and, as I have announced, the senior Senator from Wisconsin is in favor of the amendment.

Mr. McKELLAR. Mr. President, the RECORD shows that the senior Senator from Wisconsin [Mr. LA FOLLETTE] voted for publicity, while the junior Senator from Wisconsin [Mr. LENROOT] voted against it. That is found in the RECORD of November 7, 1921, at page 7519.

Mr. McLEAN. I do not know how the Senator from Wisconsin stands on this subject, and I did not quote him.

Mr. NORRIS. I do not want to be understood as intimating that the Senator did. The Senator's statement in regard to the action of Wisconsin was perfectly fair. He obtained it from what was read at the desk.

Mr. McLEAN. It is one of the States of the Union that has found it necessary to throw some secrecy around tax returns. I mentioned the State of Wisconsin because we all assume that it is one of the most progressive States in the Union.

Mr. NORRIS. Yes; I think we can assume that. I merely offered the suggestion I did in reference to the senior Senator from Wisconsin to show that if he were here, in the face of whatever had been done in Wisconsin, he would favor this amendment.

Mr. McKELLAR. If the law has been changed in Wisconsin I have no doubt it has been done over the protest of the Senator from Wisconsin [Mr. LA FOLLETTE].

Mr. McLEAN. Mr. President, there was no disposition on the part of the Committee on Finance to cover up or protect tax returns any further than seemed necessary in order to secure the largest possible amount of revenue. When we learned that in the last seven years the Government by reaudit has collected more than $2,000,000,000 from the taxpayers of the country, it seemed to us that if we threw the returns open to the public, large corporations and large business interests—I say "large," but I imagine that there are a great many small producers of the country whose business competition is very active and that the number as a whole would be very great—rather than have their secrets exposed to their competitors would be under an almost irresistible temptation to conceal facts from the Government, and when we considered the additional activities that would be required on the part of the Government to make the necessary investigations, we feared that it would disturb the whole revenue situation and, perhaps, bring about a condition of temporary chaos; but we went as far as we thought necessary to permit any legitimate inquiry into the tax returns of any individual.

I wish there were more Senators here, because I think the committee went to the full extent that is necessary to enable not only the officers of the Government but any interested party to secure any information that may be necessary to secure the last penny of legitimate tax from any citizen or corporation in this country.

I want to read just what the full amendment provides:

> The Secretary and any officer or employee of the Treasury Department, upon request from the Committee on Ways and Means of the House of Representatives, the Committee on Finance of the Senate, or a standing or select committee of the Senate or House—

We provided for a permanent standing or select committee whose sole duty it may be to investigate and inform Congress, and we naturally supposed that upon any information showing a proper cause that committee would immediately act—

> or a standing or select committee of the Senate or House specially authorized to investigate returns by a resolution of the Senate or House, or a joint committee so authorized by concurrent resolution, shall furnish such committee sitting in executive session with any data of any character contained in or shown by any return.
>
> Any such committee shall have the right, acting directly as a committee or by or through such examiners or agents as it may designate or appoint, to inspect any or all of the returns at such times and in such manner as it may determine.

Not only may the committee, acting as a committee, get this information, but any agent whom they may designate may make these investigations.

Further, we provide that the commissioner shall publish—

> the name and the post-office address of each person making an income-tax return in such district, together with the amount of income tax paid by and the amount of refunds made to each such person.

So we made public the total tax paid by every taxpayer in this country, and that has not been done before. So I say, Mr. President, that it seems to me that before we go any further in this matter it will be wise to experiment with the provisions for publicity which the committee recommends; and if, in the course of time, we find it necessary to make these returns public from the start, we can do it. Experience teaches, however, and the Treasury Department is very certain, that if we throw them open to public inspection without any protection it will result in serious loss to the Government.

The committee provides in another part of the bill for a court of appeal, where any contested case may be heard, and the findings of that court are to be made public, so that where there is any question about an income-tax return, and it is contested, a hearing is had before this newly established court, and the finding of that court is made public. I submit that the committee itself has gone as far as we ought to go, and I am confident that to throw open these accounts to the public without any protection whatever will be regretted by the very gentlemen who insist now that it is necessary in order that we may collect all the tax that ought to be collected.

Mr. BROOKHART. Mr. President, a long letter has just been read from CORDELL HULL. He is described as a Democrat—I guess as chairman of the Democrats or something of that kind. That seemed to disturb the Senator from Tennessee [Mr. McKELLAR] a good deal, and he came back with many profuse compliments without changing his mind.

So far as I am concerned, it does not make any difference to me if Mr. HULL is a Democrat; I should judge, from the reading of his letter, that he is a standpatter. If that letter had been read in my State, I should have said at once that it had been written by the tax experts of the Burlington Railroad. It sounds exactly like the arguments that are constantly made by those experts for secrecy, and then for leniency in tax rates on the big fellow.

To me one of the most remarkable arguments I meet all the time on this tax question is that if you levy an adequate tax on a rich man he is going to dodge it; if you levy on him a rate that he can justly pay, he will turn criminal and get out of it in some way or other.

I do not think any more of a tax dodger than I do of a bootlegger, and I am not in favor of modifying the law or covering it up with secrecy or anything else to shield the one any more than I am the other. I have reached the conclusion that secrecy is one of the great enemies of honest business. Investigations which we have just been holding show that the big business of this country is not only keeping secret its systems and its methods but it is employing a secret-service system to spy on every other big business. It has developed the most remarkable system of espionage that I have ever read about in the history of the world, and it has all developed under this theory of secrecy for everything.

I investigated a little different system of business during the past summer. I investigated the cooperative business as it is in operation on a very great scale in 15 different countries. I found in many of those countries that the cooperative business is the big business of the country. That is true of Great Britain, but there is none of this secrecy about it. The experts of the Department of Commerce who assisted me in every one of those countries, who helped me in every way, told me everywhere that they could go to the cooperatives and get the details of their business all the time, and they were always complete and always reliable; but they told me if they got it at all from other lines of business it was necessary to do it almost by this system of espionage.

As I compared the two systems I think the civilized system is the cooperative system, and I am for open publicity in business and in tax returns and in everything else where the interest of the public is involved.

I want to fix this law to catch the fellows described by the Senator from Connecticut [Mr. MCLEAN], who as soon as the light of publicity is turned on will hide their taxable assets.

I have not any sympathy at all with those fellows, and I would go a long way to strengthen the law to bring them to justice. I am not so much concerned in whether the amount of this tax is going up or down as a result of this publicity. The great principle involved is that it will make it open and fair and honest, and everybody will have a better chance to pay his honest proportion of the taxes and no more.

Publicity is not going to weaken the administration of this tax collection, in my judgment. I believe the tax will be collected more easily than it is now. My guess in regard to it would be that there would not be so many rebates as there are now. My guess in regard to it would be that the effect would be the opposite from what the Senator from Connecticut says. I believe we will get more taxes; but, of course, that is only a guess. At any rate, the truth is not going to hurt anybody, and publicity of the truth is certainly not going to hurt the honest man at any time.

What is our system of business in this country? I have just been checking through the investigations of the Federal Trade Commission that were mentioned in the letter of Mr. HULL. Those trade organizations that have been built up for criminal purposes in the United States were all built up under this system of secrecy, built up to maintain prices, to control production, and to violate the laws of our country. Publicity will do more to cure them, perhaps, than any kind of prosecution. Publicity will do more than anything else to make this question of taxes honest.

I am against the whole secret system. I do not believe in it on principle. I do not believe that it is American in any sense; and I say that the business of this country must halt in this criminal progress that it has been making under these secret combinations. The time has come when the big business man must transact his affairs in the open light of publicity, the same as the little business man or the worker or the farmer must transact his business. Those are public and known. There is nothing concealed in their affairs; but the crime of excess profits, which is the crime of our civilization at this time, is covered up, protected, developed, brought about by the system of secrecy in our business.

Let us publish these income-tax returns as a public record, and that will be one step toward curing one of the greatest business evils of the time.

Mr. COPELAND. Mr. President, if I rightly understood the Senator from Connecticut [Mr. MCLEAN], he used the fact that other countries have a different custom from the one proposed in this amendment as the reason why the United States ought to follow the same system they use over there. I am frank to say that so far as I am concerned those old countries, which are broken down and deserted of popular following, should not be used as models for our country. If we really believe that this is a Government of the people, we must conclude that the officials who are in office just now are only temporary representatives of the people; they are not the people.

It is my judgment that every official act performed by any governmental body should be an open and public act. I do not think there should be secrecy as regards the records of the various departments of the Government. Permits and licenses which are issued should be made public. We have from earliest times had our tax rolls of real property open to the public. There is no reason why any exception should be made as regards income taxes.

My feeling is that the burden of proof in this matter lies with those who oppose publicity. For myself, I am amazed that anybody should appear to oppose publicity of official papers and records.

In the debate which we have had on this matter of tax reduction the public has learned a lot of things. The public has learned the fallacy of the doctrine that the loss of income has come from investment in tax-exempt securities. There is an accumulation of evidence that there has been an evasion of the spirit of our tax laws. Rich men have incorporated and have paid simply the corporation tax, and have evaded the payment of the surtaxes.

The Senator from Connecticut says that there will be chaos if we adopt this plan of publicity. There will be chaos with those who seek to evade the payment of taxes. There will be unhappiness in the hearts of those who seek to evade doing their part to maintain the Government.

Relentless publicity is the surest way to make people honest. No matter what the inclination may be to evade the payment of taxes, to cover it up in the return in some secret way in the hope that there may be no discovery of the deception, when it is known that all such papers are to be open to the public and that the competitors spoken of by the Senator from Connecticut will have access to those papers, the man who files his tax returns will file honest returns.

So, as I see it, from every standpoint, from the standpoint of common sense, of desire to maintain the Government, of desire to place on the tax rolls all the income which should go there, everything points in the direction of publicity. I trust that this plan of full publicity will be put into effect.

Mr. McLEAN. Mr. President, I want to say to the Senator from New York that if the Senator were in business and heavily in debt, and subject to active and fierce competition, he might not like to have his competitors know just how severely his credit was affected. He might feel that the Government could collect his tax, and ought to be able to collect his tax, without ruining him, and putting him in a position where he could not obtain another dollar of accommodation.

Mr. REED of Missouri. Mr. President, every institution which seeks to borrow money must lay before the money lender the very information to which the Senator refers. He now says that if that information is filed with the Government, the man would be unable to borrow any more money, and his financial condition would be exposed. Yet he must expose it in order to borrow money, because there is no financial institution that loans any considerable sum of money to anybody without financial statement.

Mr. McLEAN. His competitor does not get that information, and the public does not get that information. His bank may have the information.

Mr. REED of Missouri. The bank gets the information.

Mr. McLEAN. And the Secretary of the Treasury gets it. I will say to the Senator from Missouri that if he were in business and wanted to borrow money that is quite as far as he would want the information to go.

Mr. REED of Missouri. Certainly, that is quite as far as a man would like to have it known, because everyone of us would like to transact all of his business between four walls, not that we are engaged in crooked business but because every man naturally would like to keep his business private. But there comes a point where you must come in contact with the outside world, and you are required to make a return of your taxes. I have no doubt that there will be occasional instances

where a competitor might come, look over the tax returns, and find out some facts about his competitor which he might otherwise not know, but upon the other hand there will be a flood of useful information obtained which will far offset the disadvantage referred to.

To begin with, a great door of fraud will be closed to concerns which claim to be healthy, claim to be solvent, which may be floating their securities, being exposed by this means to the absolute truth, and if a concern is in fact insolvent, is in fact floating its securities and borrowing money when it is not entitled to, the complaint that it may be discovered through the means of a public tax return does not appeal to me.

On the other hand, if a concern is engaged in floating its securities, is engaged in putting them off upon the public when it is in an unsubstantial condition, that fact may be discovered through the tax returns, just as it may be discovered through other sources.

Mr. CARAWAY. May I make just one other suggestion to the Senator? He spoke of discovering concerns floating securities when they were not solvent. On the other hand, a good many concerns which might be regulated, like public utilities, which are making very much more than the public is aware of, might also have that fact disclosed.

Mr. REED of Missouri. Certainly; it would go to that extent.

Mr. McLEAN. We provide for that, because we provide that the total tax shall be made public, and that would cover any instance of excessive earnings, or large earnings, or surprising earnings.

Mr. CARAWAY. It would not disclose the fact that there might be a holding company, that there might be 20 ways to conceal where earnings may have been made by one concern and absorbed by some affiliated company.

Mr. McLEAN. We have tried to prevent that, and I hope we have done so.

Mr. CARAWAY. You never have presented it before.

Mr. McLEAN. Mr. President, I have just one thing to say, and then nothing more to say on this subject. Among other objections to this amendment entertained by the committee was this: That it would give an opportunity to the very strong concerns in this country—monopolies, if there are any such—to know the weak points of all of their smaller competitors, and to put them in a position where they could crowd them out of business entirely.

Mr. REED of Missouri. Mr. President, I am going to answer that. All of the concerns to which the Senator refers now have access to inside information with reference to all of their competitors. Every one of them is a subscriber to the Dun and Bradstreet agencies and to other commercial agencies, and every institution of any importance is rated in Dun and Bradstreet, and every subscriber has the right to call for the detailed information upon which Dun and Bradstreet act. When I speak of Dun and Bradstreet I include all commercial agencies. So that business institutions, if they desire to get information upon which to wreck their competitors, if they want to know whether their competitors are in a safe condition or not, if they want to know the amount of the loans of their competitors, are in a position to get that information substantially to-day through these various agencies.

They get the ratings. They may not get every detail, but they get a sufficient rating to enable them to tell whether an institution is sound or unsound. I am not speaking now of the published book, but of their right to call for specific information and to get it. So there is not much in that argument, although there is something in it.

Mr. McLEAN. I have heard the Senator discuss very ably and at great length the right which the individual has to resist search of his private papers.

Mr. REED of Missouri. Yes; and I am standing for that now. But when a man files a tax return with his Government it is not private. Public records belong to the public and public business belongs to the public, and every element of secrecy that enters into it affords an opportunity for crooked dealing and for chicanery and fraud of every kind. Whenever you take any department of this Government out of the light of public action you imperil the integrity of that department.

It has been recently exposed that a department or an agency of the Government created for the purpose of merely detecting the commission of crime has been employed to search the private books and papers and to break into the desks of officials of the Government. For that matter, to break into the desk of a Senator or of a Vice President is no worse than to break into the desk of any citizen, but the boldness of the operation is accentuated or evidenced by the fact that this Secret Service has not hesitated, in violation of law, to unlock the private files of Senators of the United States and of Congressmen. It has been suspected for a long time that they have not hesitated to open the letters of private citizens and violate the statutes, and they make themselves criminals when they do that.

That condition of affairs would hardly ever have arisen if the officers had been public officers, if they had been known as officers engaged in a particular line of business. It is when a thing can be done in the dark, when it can be covered up, when men can proceed along the line of absolute secrecy, working in the shadows, that corrupt and offensive things occur. There was such a department connected with the Government of France, and the name of the man who organized that department to spy upon the people of his country is anathema to-day and has become synonymous with criminality and oppression. That is apparently a long distance from the question we are discussing, but it serves to illustrate what happens when public officers are allowed to secrete their acts.

Upon the other hand, there are great benefits to flow from the publicity of tax returns. First, if tax returns are falsely made, and if they are made public, somebody is very likely to find it out or to know that the return is false and to report it. Second, the officers of the Government in dealing with public problems have absolute facts before them upon which they can base their action. Third, the general public, becoming advised of the condition, have the necessary accurate information to enable the general public or the individuals composing the general public to act wisely with reference to any matter.

Discussing the latter proposition, it is said there are certain institutions that make such enormous profits that if they had to expose the facts in their tax returns they would commit perjury to conceal the facts from the public. Admitting that some of these gentlemen would commit perjury and that they would thereby succeed for the time being in concealing the amount of their profits, it must be true that the majority of them would not do that wicked and dangerous thing.

Mr. CARAWAY. Mr. President, may I interrupt the Senator?

Mr. REED of Missouri. Certainly.

Mr. CARAWAY. If a man morally is so irresponsible that he is willing to commit perjury to keep the public from knowing what he earns, would he not be equally willing to commit perjury to keep the Government from finding out what he earned?

Mr. REED of Missouri. I was about to say that if a man were willing to commit perjury to keep other people from knowing how much he was making, that individual would certainly commit perjury to keep the Government from separating him from his money in collecting a large tax. I do not think there is much in that argument, but assuming that some of them should commit perjury we must deal with them as we would with other criminals. When their perjury is found out we must punish them as we would other individuals for a similar crime. But we must assume that infinitely the larger number would not commit perjury. Let us then conclude that there might be laid before the American people the fact, the awful fact, that some people were making an enormous percentage on their business, and thereby would follow another awful fact that, it being supposed that the business was exceedingly profitable, somebody else might enter the business and the profits might be cut down; but the public would get the benefit. Now, what would be wrong with that? Would not that be a thing that would be of benefit to the public? It seems to me it would.

Mr. McLEAN. We have provided for that.

Mr. REED of Missouri. If that has been provided for——

Mr. McLEAN. The amount of the tax is made public.

Mr. REED of Missouri. The amount of the tax, but the amount of the investment is not known, nor how it is made nor where it is made. The Senator does not escape from my argument and yet maintain his own when he asserts that he has already provided for publicity and yet says that publicity is destructive. He can hardly occupy the two positions at the same time.

There is abundant reason also of a public nature why the facts regarding business should be known. It is especially true when we are called upon by great numbers of business institutions to pass laws for the purpose of increasing their profits.

My friend the Senator from Connecticut has sat on the Finance Committee, the distinguished Senator in charge of the bill [Mr. SMOOT] has sat there for a long time, and they have both seen men come before the committee urging a high protective tariff be levied for the purpose of keeping their business from going to destruction; that a high protective tariff be so laid as to raise prices or enable them to raise

prices to the American consumer. Both of my distinguished friends have heard more than one man, when he was asked the profits of his business upon which he was asking an additional profit, to be made possible by virtue of the law he was advocating, decline to state the profits of his business and to say that it was his private matter.

When business institutions come to the United States Government, as they have been coming for many years, and assert that they are in an impoverished condition or a condition of danger of impoverishment, and when they ask us to levy a tax upon the American people so that they may increase their profits, business has so far called for governmental aid that it is in no position to say that it is not willing to expose to the Government the full facts touching its business.

Mr. President, there has been some argument about whether tax returns are public in England and in other European countries. I do not know what the facts are. I think we can always learn something from other governments, but I constantly bear in mind the fact that because a European government may pursue a certain course is no conclusive reason why we should follow it. If we were to do that, we might adopt their entire system of government and create a few kings and dukes, counts and no-accounts, as my friend the Senator from Arkansas [Mr. CARAWAY] suggests. We might set up a nobility. So that the fact that any particular thing happens to be done in Europe is not conclusive. I do not say that it is even persuasive.

The fact that Mr. CORDELL HULL some years ago wrote a letter is not very conclusive with me. I speak of him with the utmost respect, but I have no more respect for the opinion of Mr. CORDELL HULL upon a tax question than I have for the opinion of any single Senator in this body, and I say that with all respect to Mr. HULL. The fact that he happens to be chairman of the Democratic committee does not, in my opinion, qualify him as a tax expert who speaks with the lips of infallibility and whose word is a finality.

In fact, I would hardly regard the opinion even of the chairman of the Republican Committee, whom, we understand, is to be speedily displaced, as conclusive, and yet I have respect for him as a man, as I have respect for all gentlemen who differ from me on this question. The opinion of any man is worth just as much as the reasons upon which it is based, and I have heard no sound reason advanced why the public records of this country should not all be made public without an exception, except in preliminary or temporary negotiations with foreign governments which it is sometimes necessary, during the period of negotiation, to withhold from the general public but which, before they are made consummate, should always be laid before the general public.

Mr. President, as the years go by we all are compelled to realize that great industries constantly become more and more important in their relations to the private citizens, more and more important in their relation to the Government itself. Conservative as any of us may be, we recognize the fact that a great organization which may in its inception have been purely a private business enterprise, without any necessity of governmental interference or control being attached to it, may grow to such proportions as absolutely to become a public utility, and between the absolute public utility and the entirely private institution there are all gradations and degrees. Just in proportion as those great institutions become powerful, capable of great good or of great injury, the necessity increases for a full advisement to the public of that which they are doing. It is on behalf of those very large institutions that the plea of secrecy in tax returns is chiefly made.

Speaking for myself I hope I will never be called upon to cast any vote which keeps from the people of the United States the information with reference to the transaction of their business by the temporary agent who happens to be here in Washington.

Furthermore, to reiterate what has already been said, regardless of what European governments may or may not have done, the fact remains that in nearly every State of the Union no one dreams of saying that the tax books shall be kept under lock and key. Every return made is a public return. Every citizen has the right at proper times and under reasonable conditions to look into those public records. Of course that carries with it the right to know what refunds of taxes are made.

The courts of the world on down through the ages, bad as they have been at certain times, oppressive as they have appeared at certain intervals, have, nevertheless, always represented the purest part of existing governments. In our own country our courts, although far from infallible, nevertheless have from the first represented, and do at the present time represent, the purest and highest attributes of our governmental functions. Why is that so? It is largely because every act in a court of justice must be made a public record. The decision must be publicly rendered. The appeal, if it be taken, must be publicly made, and the decision of the judges of the court of last resort, including the Supreme Court of the United States, must be publicly delivered and publicly recorded for all time; so that every man composing the judiciary knows that upon his every act the eyes of the public can be directed at any moment and that for whatever he does he must be answerable at least at the bar of an enlightened public conscience. Our courts have remained pure; and one of the great reforms wrought in the jurisprudence of the Anglo-Saxon race was when the final vestiges of secrecy were removed from the tribunals of justice.

Most frequently where tyranny or corruption have sought to accomplish their purpose in any way through the judiciary, it has been in those countries where secret decisions could be rendered and secret processes issued. In the last analysis the best safeguard one can have for his business which is being conducted by his agents is to know what his agents are doing. We are but the agents of the people of the United States; Treasury officials are but the agents of the people of the United States; and the people of the United States have the right to know every act of every agent they employ.

Mr. HOWELL. Mr. President, to-day the price of liberty is not only eternal vigilence but also publicity. I know of nothing, of no procedure in this country of a public character, where it is not required that there should be publicity except in the matter of income-tax returns. As the Senator from Missouri has recently stated, it was with the dawning of liberty that secrecy in judicial procedure was wiped out; and yet we have reactions of this character constantly in public affairs.

In this matter, for instance, we have returned to secrecy, and for what reason? It is urged, for the protection of business interests, to protect competitors from each other. As I have sat here and listened to the proceedings of the Senate I have been impressed with the thought that if we could conduct more of our business in executive session we would proceed with far greater expedition than we now do; there is no question about that. That is one of the reasons why, in private affairs, the action of boards of directors is behind closed doors and not in public. It leads to the expedition of business.

Why do we in this Chamber not proceed in such a manner, when at this time we are so behind in our work? It is simply because it would be against public policy. Public policy requires that in public affairs there should be the utmost publicity. It is not because of a theory, but because it has been found that secrecy is of the greatest aid to corruption. The criticism that has been made of Secretary Fall for his action in connection with the oil leases was largely because of the secrecy employed in leasing the naval oil reserves and in not asking for public bids. That was one of the chief criticisms made here; and yet in the Treasury Department last year hundreds of millions of dollars of the taxpayers' money was returned to complaining individual taxpayers behind closed doors. Mr. President, there is no such thing possible elsewhere in the United States to-day. It would not be tolerated in any State.

It is urged, as I have stated, that competitors would know about each other's business and that as a consequence the big fellows might swallow up the little fellows. We have had publicity in banking for decades. We require reports every so often. Does anyone pretend to urge that that sort of publicity is a disadvantage to the banking business of the country or urge that that kind of publicity places the small banker at the mercy of the big banker? Not for a moment.

As the Senator from Missouri has stated, Dun and Bradstreet afford to competitors just such information. It was suggested that only their ratings were procurable, but anyone knows that he can get a special report going into the details of the affairs of any business or firm in this country from Dun or Bradstreet. There is absolutely nothing to that argument. If one wishes to find out the condition of a wholesale drug house in some city he can go to its competitors and, if he can get them to talk, he can ascertain all he wants to know. The competitors know the condition of their rivals; they know exactly what they are doing; they can tell one how many million dollars' worth of business a competing concern did last year, what it is doing this year; and they can tell how many men it has out on the road. There is no source of information so complete with reference to any business as that to be obtained in the offices of a competitor. All one has to do is to subscribe to Dun or Bradstreet, send in a request for a special report, and he will get the details about the assets, the liabilities, and other affairs of any institution. So there

can be no argument that there is secrecy now so far as competitors are concerned.

Then, why should we have secrecy respecting income-tax returns? It has been suggested that we might lose in taxes which we now collect.

Mr. REED of Missouri. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Nebraska yield to the Senator from Missouri?

Mr. HOWELL. I yield.

Mr. REED of Missouri. The Senator from Nebraska has just mentioned banks as an illustration. I call his attention also to insurance companies, which are now required in nearly every State to make detailed public statements and to be subject to examination. I recall when we were originally passing those laws the great complaint that went up from insurance companies that it was an interference with private business and would destroy their institutions. The fact is that insurance companies never became the great institutions they now are until some of their bad practices were weeded out under inspection and publicity, and thereupon the public became satisfied that insurance was an investment and not a speculation. As suggested by the Senator from Arkansas [Mr. CARAWAY], Secretary Hughes made his great reputation in investigating an insurance company and bringing it to book. That is another illustration merely of what the Senator from Nebraska has already advanced.

Mr. CARAWAY. Mr. President, if I may merely make a suggestion concerning the cry that publicity of tax returns is an invasion of private rights, Congress by law requires a newspaper to disclose who owns it, who publishes it, and who owns its securities down to 1 per cent. That is certainly a greater invasion of private rights than merely to require the making public of tax returns; yet it was thought to be wise, because back of the newspaper might lurk some sinister interest and it was to be brought to light so that the public might know who was molding its opinion. If we thought well of that, why should we not disclose how much those publications make by making public their returns?

Mr. HOWELL. Mr. President, private rights must give way before public necessity, and I will call your attention to this fact:

Not 25 years ago the public-utility corporations in this country insisted that their affairs were their own, that we were not entitled to know anything about their incomes and their expenditures; but to-day those same public-utility corporations in nearly all the States are insisting upon State regulation and willingly granting the facts respecting receipts and costs of operation. The argument respecting the loss of taxes, as I stated a few moments ago, it seems to me, is the least cogent that has been offered.

The fact that a man is under the duty of paying income taxes in this country arises from the fact that in most cases he acquires his income here, or largely here, from investments or an occupation, and therefore it is almost impossible for him to shirk taxation even with secrecy; but if he were compelled to make a public statement of his income in detail the difficulties would be very much greater.

The practice in Great Britain has been referred to. I have great respect for English methods. There is no such tax avoidance in England as there is in this country. It is true that the taxation of land in Great Britain has been a scandal for a great many years, but that has been because of the valuations placed thereon; but when it comes to collecting taxes due from individuals and business institutions on account of income England affords an example of careful, expeditious, and economical collection. She has levied an income tax for a great many years, and we for only a comparatively few years, and her experience has dictated that, as with the secrecy of court proceedings, the secrecy of income-tax returns can not be tolerated.

In my opinion, the reason why secrecy has been practiced in this country is because there are those who have something that they do not want the public to know; not competitors, for, as I have stated, competitors do know. Such interests do not want the public to know because of their fear of public condemnation; and inasmuch as in the case of every other function exercised by a public body in this country we afford the utmost publicity, we certainly should not hesitate when it comes to the matter of income-tax returns. Such returns should be open to the inspection of everyone, the same as with every other tax return, wherever made.

Mr. WALSH of Massachusetts. Mr. President, I ask unanimous consent to present an important amendment to H. R. 6715, seeking to substitute an inheritance tax for the estate tax provisions of the bill. I ask that it be printed and lie upon the table.

The PRESIDENT pro tempore. Is there objection? The Chair hears none; and the amendment will be received at this time, printed, and lie on the table.

Mr. SMOOT. Mr. President, I will say at this point that I should like to have the amendment printed and on the table of every Senator by to-morrow morning. I give this notice so that the Public Printer will print it to-night; and I should like to have it placed upon the desk of every Senator in the morning.

Mr. WALSH of Massachusetts. A preliminary proof has already been submitted, so that there will be no trouble about it being printed by to-morrow morning.

Mr. SMOOT. The reason why I make the announcement now is so that it will be on the desks in the morning.

THE VETERANS' BUREAU

Mr. CARAWAY. Mr. President, I wish not to discuss the pending amendment, but to put into the RECORD, as I shall do from time to time, some of the occurrences at the Veterans' Bureau. We are discussing publicity, and I have dedicated myself to be an agent of publicity for some of the wonderful occurrences that take place in that institution.

I have in my hand the correspondence dealing with the claim for compensation of Giles L. Matthews, of Conway, Ark. He is an ex-service man, and claims to be entitled to compensation for injuries received during service. His case is now pending before the Board of Appeals here in Washington, and has been there for nearly four months. Excuses have been given for not deciding it. Last week I had a letter from Charles E. Mulhearn, assistant director in charge of claims and insurance service, in which he tells me that the claim is being delayed because he has not yet received a report from The Adjutant General, to whom he had applied for information.

That sounds all right, Mr. President, if this were not the fact: This man was in the Navy. On each of the papers filed in this record appears this notation:

Giles L. Matthews, apprentice seaman, United States Navy.

Therefore, here is the legal department, the head of the appeal board, holding up a claim of a disabled ex-service man for four months to get a report from The Adjutant General, when had he asked the negro who runs the elevator, he would have been told that he must apply for this information to the Surgeon General of the Navy.

That is such an intelligible, such a comprehensive, understandable thing showing why there is complaint against the bureau. The head of its legal department says he can not pass upon the claim of this ex-service man because he can not get a report of The Adjutant General, when everybody except this learned lawyer knows that the information would have to come from the Surgeon General of the Navy.

Mr. DILL. Mr. President, will the Senator yield?

Mr. CARAWAY. I yield.

Mr. DILL. The Senator knows that we have pending before the Senate now on the Veterans' Bureau bill an amendment to raise the salary of the director $2,000 a year. Does he think that instances of this sort would justify an increase in the salary of the director?

Mr. CARAWAY. There is no justification at all, because this is the usual, ordinary, intelligent course of disposing of these matters.

I have many of these instances that have come to my office. I shall publish them from time to time for the enlightenment of the Senate. And yet we are expected to be patient while they reorganize the Veterans' Bureau, when there is not an elevator conductor who could not have told the assistant director that he ought to have applied to the Surgeon General of the Navy and not to The Adjutant General of the Army when he wanted the record of some one who had served in the Navy.

I will reserve this correspondence for publication, together with the entire correspondence, because it is so enlightening.

TAX REDUCTION

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 6715) to reduce and equalize taxation, to provide revenue, and for other purposes.

Mr. DILL. Mr. President, I wish to take just a moment to express my approval of the amendment offered by the Senator from Nebraska [Mr. NORRIS] for the publicity of income-tax returns.

In 1916, when this amendment was offered in another body, there was scarcely a handful of Members who would support such a proposition. The sentiment for it has grown. It is still growing, and if not sufficient to-day to amend this bill, it

will be so within a very few years. It is so manifestly proper that the income-tax returns filed with the Internal Revenue Bureau of the Government should be made public that just as certainly as time goes on converts will be won to it.

I hope that to-day we shall amend this bill so that in the future the income-tax returns, like other tax returns, will be public for everybody in this whole country to know.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment of the Senator from Nebraska [Mr. NORRIS].

Mr. NORRIS, Mr. SMOOT, and Mr. McKELLAR called for the yeas and nays, and they were ordered.

The PRESIDENT pro tempore. The Secretary will call the roll.

The reading clerk proceeded to call the roll.

Mr. NORRIS (when Mr. LA FOLLETTE's name was called). I was requested to announce that the senior Senator from Wisconsin [Mr. LA FOLLETTE] is absent on account of illness. If he were present and not paired, on this question he would vote "yea." He is paired with the Senator from Missouri [Mr. SPENCER].

Mr. WATSON (when his name was called). I have a general pair with the senior Senator from Arkansas [Mr. ROBINSON], which I transfer to the Senator from Vermont [Mr. GREENE] and vote "nay."

The roll call was concluded.

Mr. BALL. I have a general pair with the senior Senator from Florida [Mr. FLETCHER]. I transfer that pair to the senior Senator from New Jersey [Mr. EDGE] and vote "nay."

Mr. CURTIS. I desire to announce the following general pairs:

The Senator from Rhode Island [Mr. COLT] with the Senator from Florida [Mr. TRAMMELL];

The Senator from Illinois [Mr. McCORMICK] with the Senator from Oklahoma [Mr. OWEN]; and

The Senator from West Virginia [Mr. ELKINS] with the Senator from New Jersey [Mr. EDWARDS].

Mr. STANLEY. Has the junior Senator from Kentucky [Mr. ERNST] voted?

The PRESIDENT pro tempore. That Senator has not voted.

Mr. STANLEY. I have a general pair with that Senator, which I transfer to the Senator from Montana [Mr. WHEELER] and vote "yea."

The result was announced—yeas 48, nays 27, as follows:

YEAS—48

Adams	Ferris	Jones, N. Mex.	Ralston
Ashurst	Frazier	Jones, Wash.	Reed, Mo.
Borah	George	Kendrick	Sheppard
Brookhart	Glass	King	Shipstead
Broussard	Gooding	Ladd	Simmons
Bruce	Harreld	McKellar	Smith
Capper	Harris	McNary	Stanley
Caraway	Harrison	Mayfield	Stephens
Copeland	Heflin	Neely	Swanson
Cummins	Howell	Norbeck	Underwood
Dial	Johnson, Calif.	Norris	Walsh, Mass.
Dill	Johnson, Minn.	Overman	Walsh, Mont.

NAYS—27

Ball	Fernald	Moses	Stanfield
Bayard	Fess	Oddie	Sterling
Brandegee	Hale	Pepper	Wadsworth
Bursum	Keyes	Phipps	Warren
Cameron	Lodge	Reed, Pa.	Watson
Curtis	McKinley	Shields	Willis
Dale	McLean	Smoot	

NOT VOTING—21

Colt	Fletcher	Owen	Trammell
Couzens	Gerry	Pittman	Weller
Edge	Greene	Ransdell	Wheeler
Edwards	La Follette	Robinson	
Elkins	Lenroot	Shortridge	
Ernst	McCormick	Spencer	

So Mr. NORRIS's amendment was agreed to.

The PRESIDENT pro tempore. The Chair understands that the following amendment is to be acted on at this time, which the Secretary will report.

The READING CLERK. The Senator from Tennessee [Mr. McKELLAR] proposes to add as a separate paragraph following the amendment just agreed to:

All claims for abatement or refunds of taxes shall likewise be public property subject to inspection under similar rules.

Mr. McKELLAR. Mr. President, that is exactly the same question which has just been acted on. It merely refers to claims for abatement and refunds, which shall likewise be public property under exactly the same conditions.

Mr. SMOOT. It all applies to the returns, which will be public under the vote just taken.

Mr. McKELLAR. Perhaps it does. I ask for the yeas and nays on this amendment.

Mr. REED of Missouri. I would like to have the privilege of seeing what is in the amendment.

Mr. SMOOT. There is no need to take the yeas and nays on agreeing to it. There is nothing in it but what has been voted on.

Mr. BRANDEGEE. The Senator would not want to say that they were to be "public property."

Mr. McKELLAR. Open to inspection.

Mr. BRANDEGEE. Made "public," then; not "public property."

Mr. McKELLAR. If I strike out the words "public property," will it be acceptable? If so, I will do that.

Mr. REED of Missouri. I move to insert in the amendment——

The PRESIDENT pro tempore. Does the Senator from Tennessee yield?

Mr. McKELLAR. I yield to the Senator from Missouri to offer an amendment. I desire to perfect my own amendment by making it read as follows:

All claims for abatement or refunds of taxes shall likewise be subject to inspection under similar rules.

Mr. REED of Missouri. I move to insert after the word "taxes" the clause "including the records of all rulings."

Mr. SMOOT. They are all made public and printed.

Mr. REED of Missouri. The final record is, the mere decision, but not the proceedings.

Mr. SMOOT. Then the Senator should change the wording, because all rules of the department are published.

Mr. REED of Missouri. I use the term "all rulings." I mean by that decisions.

Mr. BRANDEGEE. The Senator has used the term "records of all rulings." I do not know what he means by that.

Mr. McKELLAR. "All claims for abatement or refunds of taxes, including the records of all rulings."

Mr. REED of Missouri. Including all decisions.

Mr. McKELLAR. I accept the amendment offered by the Senator from Missouri.

The PRESIDENT pro tempore. The Senator from Tennessee accepts the suggestion, and modifies his amendment so as to read:

All claims for abatement or refunds of taxes, including the decisions, shall likewise be subject to inspection under similar rules.

Mr. WADSWORTH. Will the Senator from Tennessee enlighten me as to what, in his judgment, is the meaning of the word "claims" in that connection? Perhaps I can shorten the Senator's answer by elaborating my question.

Mr. McKELLAR. I shall be very glad to have the Senator.

Mr. WADSWORTH. The amendment proposes the making public of all claims. Merely the lodging of a claim for a refund is a comparatively simple matter. Does the Senator mean, however, to include in that all the papers, the records, documents, and account books of any person or concern making application for a refund, which, of course, must be examined by the internal-revenue people? Are all those things to be made public in their last detail?

Mr. McKELLAR. Just such records as are filed with the department in making a claim for a refund. As a rule, as I understand it, affidavits are filed, copies of papers are certified frequently. Such evidence and such documents as accompany the claim for a refund or for abatement should be open to public inspection.

Mr. WADSWORTH. Of course, the Senator realizes that in the prosecution of these claims by persons for refunds from the Internal Revenue Bureau the bureau constantly calls for additional information, more and more accounts, more and more statements, down to the last details of where every penny was spent by the taxpayer, for what it was spent, to whom it was paid, every penny he has borrowed, from whom he has borrowed it, how much he has borrowed, the rate of interest, and the purpose for which it was borrowed. Does the Senator intend under that phrase "all claims for refunds" to make public everything that any man does in business, of any kind or description?

Mr. McKELLAR. Whatever is placed in the record at the tax office. The Senator no doubt has seen the files that are kept.

Mr. WADSWORTH. They are immense.

Mr. McKELLAR. Some of them are, just as the papers in some lawsuits are immense; but they are public records, and it seems to me that they should be made public records in the same way, if an effective administration of this department is desired.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Tennessee, as modified.

Mr. JONES of New Mexico. May I inquire of the Senator from Tennessee whether he thinks it would carry out his thought more clearly if he were to insert after the word "claims" the words "and evidence pertaining thereto"? The word "claims" might be subject to a very narrow interpretation. The word "claims" as used——

Mr. WADSWORTH. In order to make it complete, why not add the words "relevant or otherwise"?

Mr. McKELLAR. It seems to me that the wording is sufficient as it is.

Mr. JONES of New Mexico. Very well, if the Senator thinks so.

Mr. McKELLAR. I think it is.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment.

Mr. McKELLAR. I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. FLETCHER (when Mr. TRAMMELL's name was called). I wish to announce that my colleague, the junior Senator from Florida [Mr. TRAMMELL], is unavoidably absent. He is paired with the Senator from Rhode Island [Mr. COLT]. If my colleague were present, he would vote "yea."

Mr. WATSON (when his name was called). I again announce my general pair with the senior Senator from Arkansas [Mr. ROBINSON]. I transfer that pair to the senior Senator from Vermont [Mr. GREENE] and vote "nay."

The roll call was concluded.

Mr. FLETCHER (after having voted in the affirmative). I have a general pair with the Senator from Delaware [Mr. BALL]. In his absence, I transfer that pair to the Senator from Louisiana [Mr. RANSDELL] and let my vote stand.

Mr. STANLEY. I have a general pair with the junior Senator from Kentucky [Mr. ERNST]. In his absence, I withhold my vote.

Mr. HARRISON. I wish to announce that the Senator from Rhode Island [Mr. GERRY] is necessarily absent.

The result was announced—yeas 47, nays 26, as follows:

YEAS—47

Adams	Fletcher	Jones, N. Mex.	Ralston
Ashurst	Frazier	Jones, Wash.	Reed, Mo.
Borah	George	Kendrick	Sheppard
Brookhart	Glass	King	Shipstead
Broussard	Gooding	Ladd	Simmons
Bruce	Harreld	McKellar	Smith
Capper	Harris	McNary	Stephens
Caraway	Harrison	Mayfield	Swanson
Copeland	Heflin	Neely	Underwood
Dial	Howell	Norbeck	Walsh, Mass.
Dill	Johnson, Calif.	Norris	Walsh, Mont.
Ferris	Johnson, Minn.	Overman	

NAYS—26

Bayard	Fess	Oddie	Sterling
Brandegee	Hale	Pepper	Wadsworth
Bursum	Keyes	Phipps	Warren
Cameron	Lodge	Reed, Pa.	Watson
Curtis	McKinley	Shields	Willis
Dale	McLean	Smoot	
Fernald	Moses	Stanfield	

NOT VOTING—23

Ball	Elkins	McCormick	Spencer
Colt	Ernst	Owen	Stanley
Couzens	Gerry	Pittman	Trammell
Cummins	Greene	Ransdell	Weller
Edge	La Follette	Robinson	Wheeler
Edwards	Lenroot	Shortridge	

So Mr. McKELLAR's amendment was agreed to.

Mr. SMOOT. Mr. President, I ask that we may now turn to page 234 of the bill, to the amendment relating to the board of tax appeals. I would like to say to Senators at this time that if we can dispose of that amendment and the radio amendment, I shall be glad to move to take a recess until to-morrow.

Mr. HARRISON. Will not the Senator agree that if we dispose of the amendment on page 234, we shall then take a recess and let the radio proposition go over until the first thing in the morning, or else take up the radio proposition to-night and dispose of it and let the board of tax appeals amendment go over until to-morrow?

Mr. SMOOT. I have told so many Senators that this amendment would come up next and so many have asked me to have the amendment considered first that I think it better to dispose of it first.

Mr. HARRISON. The Senator is moving along rapidly in the consideration of the bill.

Mr. DILL. I hope the Senator will let the radio amendment go over until to-morrow if possible.

Mr. SMOOT. We will take up the board of tax appeals amendment now and see about the other when we get through with it.

I intend to take just time enough to read from the report affecting this title of the bill. I hope Senators will listen to it because in the report there is given the specific provisions of the bill and an explanation, I think, in as few words as it is possible to give it. It is as follows:

The bill provides for the establishment of a board of tax appeals to which a taxpayer may appeal prior to the payment of an additional assessment of income, excess-profits, war-profits, or estate taxes. Although under the existing law a taxpayer may, after payment of his tax, bring suit for the recovery thereof and thus secure a judicial determination on the questions involved he can not, in view of section 3224 of the Revised Statutes, which prohibits suits to enjoin the collection of taxes, secure such a determination prior to the payment of the tax. The right of appeal after payment of the tax is an incomplete remedy and does little to remove the hardship occasioned by an incorrect assessment. The payment of a large additional tax on income received several years previous and which may have since its receipt been either wiped out by subsequent losses, invested in nonliquid assets, or spent, sometimes forces taxpayers into bankruptcy and often causes great financial hardship and sacrifice. These results are not remedied by permitting the taxpayer to sue for the recovery of the tax after this payment. He is entitled to an appeal and to a determination of his liability for the tax prior to its payment.

Under the existing law a taxpayer prior to the payment of his tax may appeal to the commissioner, who has established the committee on appeals and review to determine these appeals for him. The objections that have been raised to this procedure are four: (1) The appeal is from the action of the Bureau of Internal Revenue, but is taken to a committee in and a part of the bureau. It is urged that such an appeal does not involve a review by an impartial outside body, such as the taxpayer is entitled to prior to payment of the tax. (2) In the hearing on the appeal the person who is to decide the appeal acts both as advocate and judge, since he must both protect the interests of the Government and decide the questions involved. Such conditions do not insure an impartial determination of the case. (3) If the decision on the appeal is in favor of the Government, the taxpayer has the right to test the correctness of the decision in the courts, but if the decision is in favor of the taxpayer, the action of the bureau is final and the correctness of the decision can never be tested in the courts. It is contended that this condition results in the decision of most doubtful points in favor of the Government. (4) The taxpayer is usually forced to come to Washington for the hearing on his appeal, an expensive and burdensome procedure.

Under the provisions of the proposed bill creating a board of tax appeals the taxpayer may, prior to the payment of the additional assessment of income, war-profits, excess-profits, or estate taxes, appeal to the board of tax appeals and secure an impartial and disinterested determination of the issues involved. In the consideration of the appeal both the Government and the taxpayer will appear before the board to present their cases, with the result that each member of the board will sit solely as judge and not as both judge and advocate. The provision allowing the commissioner to sue in court for the recovery of any taxes thought by him to be due in excess of that decided by the board to be due relieves the board from the responsibility of finally passing upon questions involving large amounts and removes the necessity for a decision in favor of the Government in order to force the issues into court. The divisions of the board will sit locally throughout the United States to enable taxpayers to argue their cases with as little inconvenience and expense as is practicable. This proposal meets all the objections that have been raised as to the existing system and at the same time provides for a flexible and informal procedure which will permit the board to determine expeditiously the cases brought before it on appeal.

Mr. McKELLAR. Mr. President, I have an amendment that I desire to offer, which I shall read, and perhaps the Senator from Utah will accept it.

On page 237 I desire to add a new section to the committee amendment, which shall be known as subsection (EA) and reading as follows:

The board shall have original jurisdiction to try and determine all claims for abatements or refunds on account of losses, depletions, depreciation, or otherwise where the amount of tax involved is in excess of $10,000. All such claims for abatements or refunds involving more than $10,000 of taxes shall be automatically referred to the board and heard upon the evidence on file and such other evidence as may be presented under the rules of the board. The board shall certify its findings to the Treasury Department, such findings shall be final, and

the taxes shall be collected by the Commissioner of Internal Revenue upon the basis of such findings.

The board shall also have original jurisdiction to determine all cases arising under section 221 of this act, and when their findings are certified to the Treasury Department such findings shall be final and the Commissioner of Internal Revenue shall collect the taxes thus found to be due as provided by this act.

The inquiry I wish to make of the Chair is, if this amendment shall be agreed to, will I then have the right to offer my amendment or should my amendment be offered now?

Mr. SMOOT. Mr. President——

Mr. McKELLAR. I hope the Senator from Utah will accept the amendment.

Mr. SMOOT. Mr. President, I ask unanimous consent that a vote be taken upon the committee amendment, and then I shall ask unanimous consent that any amendment desired to be offered by any Senator may be offered to the committee amendment.

Mr. McKELLAR. That will be entirely satisfactory.

The PRESIDENT pro tempore. The Chair then is not required to answer the inquiry of the Senator from Tennessee [Mr. McKELLAR].

Mr. McKELLAR. I am satisfied with the arrangement for unanimous consent.

The PRESIDENT pro tempore. The Chair is not bound by any suggestion made by the Senator from Utah [Mr. SMOOT]. The question is upon agreeing to the committee amendment.

Mr. NORRIS. Mr. President, I desire to inquire, is the pending amendment the amendment commencing on page 234 of the bill?

Mr. SMOOT. Yes; that is, the House provision begins on page 234, and the amendment begins at the bottom of page 235.

Mr. NORRIS. And ends on line 21, page 237?

Mr. SMOOT. Yes; it ends on page 237.

Mr. NORRIS. Is the main difference between the provision as it comes from the other House and the provision as reported by the Senate committee the salary which is to be paid to members of the tax board? I notice the House text provides for a salary of $7,500, while the bill as reported from the Senate committee provides for a salary of $10,000.

Mr. SMOOT. The difference which the Senator from Nebraska has stated is about the only difference between the proposition of the House and the Senate committee, so far as money matters are involved. We think that the wording is a little clearer in the committee amendment than in the House provision; as the language now stands it is virtually the House provision so rewritten as to make it clearer, and providing for an increase of salary above the $7,500 provided for by the House.

Then there is another quite important change to which I will call the Senator's attention. The Senate committee amendment provides that the number of judges after the two years shall be 7, while the House provides that 28 judges shall continue to constitute the court.

The Senate committee amendment proposes to change the text of the bill in that respect, because the committee thought that by having the judges do nothing else and requiring that they shall sit in the different districts in two years, a great majority of the cases could be decided, and then, after that, the one court, consisting of seven members, could take care of the appeals.

Mr. NORRIS. Mr. President, I have not any objection—indeed, I do not know enough about the matter to act on it intelligently without further time to consider it—if the Senator from Utah is willing to accept an amendment to the committee amendment striking out the salary of $10,000 and inserting a salary of $7,000. If the Senator will do that, I shall make no further controversy in reference to the amendment.

Mr. SMOOT. I think that there is an amendment to be offered to increase the salary from $10,000 to $12,000.

Mr. NORRIS. That amendment may be offered, of course.

Mr. SMOOT. Then, we had better vote upon the question of the salary at once. I am perfectly willing to do that.

Mr. NORRIS. I wish to submit merely a few observations. In the first place, an appeal will be from this court to a regular United States court.

Mr. SMOOT. That is correct.

Mr. NORRIS. We are now proposing to set up an intermediate court, a lower court, and yet we are providing for an appeal to a higher court, and we are providing for the payment of a larger salary to the judges of the lower court than is received by the judges of the higher court. To my mind, that is not the proper kind of a law to pass. What will be the result? If we provide for a salary of $10,000 for the members of this court, we shall be importuned at once to increase the salaries of all the Federal judges, because they are of a higher grade than are the judges of the tax court.

Mr. SMOOT. Mr. President, will the Senator from Nebraska yield to me?

Mr. NORRIS. Yes.

Mr. SMOOT. I should like to tell the Senator the reason for this action in so far as the majority of the committee were concerned.

Mr. NORRIS. Very well; I will yield to the Senator from Utah.

Mr. SMOOT. The Senator from Nebraska knows that 21 of the judges provided for will be appointed for only two years. We do not wish them to act as judges in tax cases unless they know their business, unless they are familiar with the revenue laws of the United States. In order to get such men to leave their business for two years and then to be retired, it seems to me $10,000 is as little as could be paid in order to secure the proper kind of men.

Mr. NORRIS. The probabilities are that the tax court judges, unless they are made the footballs of politics, which I hope they will not be, will be selected out of the department itself. The probabilities are that we shall have judges selected who are now engaged in this work, perhaps, performing the same kind of service on a salary of $2,000 or $3,000 a year. It seems to me that would be the natural result. It looks to me as though the appointing power, unless, as I said, it be desired to make a lot of political appointees here—and I assume that is not going to be done—would select men who are already in the Government service, and who are more or less familiar with the kind of work which the tax court is going to be called upon to perform.

It seems to me, Senators, that if we consider only the merits of the question it is inexcusable to set up a court of original jurisdiction whose judges shall draw salaries larger than the salaries drawn by the judges of the courts of appeal to which the cases, many of which will be of importance, will be appealed. That is contrary to our entire system, not only judicial but legislative and otherwise.

Mr. President, this question was debated in the House of Representatives. The committee brought in a report calling for salaries of $10,000.

Mr. SMOOT. That is correct.

Mr. NORRIS. A Representative from my State made the motion to cut the salary down to $7,500, and on the floor of the House that was done after a vote on this identical question without anything else being involved. So the language of the House bill, so far as the salaries are concerned, represents the opinion of the House of Representatives. That entitles the proposal to more weight than though it had gone in simply as a matter of form, because it was decided on the floor of the House after debate. I do not know whether there was a roll call on the question or a vote by tellers, but it was put in by a very large majority.

Mr. President, if we start out by adding 28 inferior judges to our judicial system, and fixing their salaries higher than the salaries of district judges of the United States and of judges of the court of appeals of the United States, let us not forget that we will be confronted at once—and properly so—with a request to increase the salary of every Federal judge in the United States. How are we going to refuse to take such action? There might be times when it would not be so serious, but when a large proportion of our countrymen, particularly the agriculturists and farmers of the country, are not able to make both ends meet, I tell you, Mr. President, it is a poor time for us to make a precedent of fixing salaries at $10,000 a year, which will be used as a stepping stone to fix the salaries of hundreds of other men at $10,000 a year.

If we fix the salaries of these officials at $10,000 a year, a district judge who now receives $7,500 a year would have a right to say, "I am above the court on which these tax judges sit; an appeal lies from that court to mine." It would be like going from the court of a justice of the peace to the common pleas court or the district court and from there to the Supreme Court, and starting in by giving the justice of the peace a salary higher than that received by the supreme judge and higher than that received by the district judge, so that as the courts are reached where we are supposed to get more wisdom and more ability the salary paid is less. That argument can not be met when the proposition will be made to increase the salary of every one of the Federal judges.

Mr. DILL. Mr. President——

Mr. NORRIS. I will yield in just a moment. Then, going on from the district court to the United States court of appeals, the judges of that court receive $8,000 a year, and yet it

is proposed to jump the salaries of the tax court clear over the salaries received by the other judges and give them $10,000 a year. It is inconsistent; it is illogical; it is not necessary; and, in my opinion, the country is not in a condition to stand it now when we are trying to economize and cut down expenses. I now yield to the Senator from Washington.

Mr. DILL. Mr. President, what is the particular requirement in the way of ability for these men that they should have the high salary of $10,000 a year?

Mr. NORRIS. I do not know of any. They ought to be good men; I concede that.

Mr. McKELLAR. Are there any legal requirements? Are there any of them to be lawyers?

Mr. NORRIS. I can be corrected if I am wrong, but I hardly suppose that these men would have to be admitted to the bar under the definition in the bill.

Mr. SMOOT. No; but there is no doubt that they will be.

Mr. NORRIS. I think they will be; I assume that they will be.

Mr. McKELLAR. I did not hear the statement of the Senator from Utah.

Mr. SMOOT. I said there is no doubt that they will be members of the bar.

Mr. McKELLAR. Does not the Senator think that we ought to require that some of them shall be lawyers?

Mr. SMOOT. I do not think so.

Mr. McKELLAR. Some of the members of this court should be lawyers.

Mr. SMOOT. There will be lawyers on it, no doubt.

Mr. NORRIS. Mr. President, I do not care to yield the floor for a debate between other Senators. There may be two sides to the question, whether the members of this board ought to be lawyers or not; I assume that they will be. It seems to me if I had the appointing power I would want to appoint men well versed in the law, because their duty is going to be to pass on legal questions.

Now, let me compare them with the district judges and see what type of ability will be required. A district judge receives $7,500 a year and has to pass upon all kinds of litigation that comes before him. He has to be versed——

Mr. JONES of New Mexico. Mr. President——

Mr. NORRIS. I will yield in a moment. He has to be versed in all branches of jurisprudence and of law. The members of the proposed tax court are going to become, after they have been educated by serving for a while, experts in tax matters only; they will have nothing else to do.

The man who has the qualifications of a district judge possesses qualifications much superior to the qualifications necessary to fill one of these places, and a judge of the court of appeals more yet, so there is not anything involved in this work that requires a salary superior to that of our judges.

Mr. FLETCHER. Mr. President——

Mr. NORRIS. I will yield to the Senator, but first I yield to the Senator from New Mexico.

Mr. JONES of New Mexico. Mr. President, I wanted to call the attention of the Senator from Nebraska to this peculiar situation: These judges are appointed for two years only.

Mr. NORRIS. Yes; that has already been called to my attention. Some of them will be permanent.

Mr. JONES of New Mexico. Under paragraph (c), on page 237, they will be prohibited from appearing before the board of appeals subsequently for a period of two years. I think that makes the situation quite different. I could understand the argument of the Senator if he would suggest an amendment providing that the seven judges retained after the expiration of the two years should receive a salary of $7,500 only. That would be entirely consistent with the argument of the Senator, but these people serve only two years, and are prohibited for two years thereafter from appearing before the board in this kind of work. I think that presents a situation entirely different from that where a judge goes ahead year after year, and if he should happen to go off the bench he is permitted to carry on his profession the next day before his successor. Under the provision, however——

Mr. NORRIS. I have heard the Senator's suggestion, and I appreciate the force of it. It has already been suggested by the Senator from Utah. In my opinion it is not at all conclusive. When we talk about judges who are appointed for life, who serve for life, and are trying to fix their salaries, this is the kind of argument that is always made. They say: "Why, these men are taken out; they are taken away even from society sometimes. They can not go into business. They have to give up investments. They can not do this, and they can not do that, because they are going to isolate themselves, as it were, for life, and therefore we ought to pay them a big salary."

Now, it is said that because these men are going to be on the bench for two years only, therefore we ought to pay them a big salary because they do not stay on longer.

Mr. President, I do not believe there is going to be any trouble in getting good men for two years for $7,500 a year. Probably we will be extending the time, and it will be more than two years; and bear in mind that to get the most effective results men will be appointed for two years who are already in the service of the United States, and at the expiration of the two years they will go back into the service, and go back, very likely, at a reduced salary. They are getting a bonus for the two years they will serve. They ought to be prohibited from practicing before the board after they have gone off the bench, I think. That ought to apply not only to them but to everybody else in the departments.

Mr. President, I move to amend the committee amendment, on page 237, line 4, by striking out "$10,000" and inserting "$7,500"; and upon that amendment I ask for the yeas and nays.

The PRESIDENT pro tempore. The question is upon the amendment proposed by the Senator from Nebraska to the amendment of the committee. Upon that amendment the yeas and nays have been requested. Is the request seconded?

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. NORRIS (when Mr. LA FOLLETTE's name was called). I have been requested to announce that if the Senator from Wisconsin [Mr. LA FOLLETTE] were present, he would vote "yea" on this question.

Mr. OVERMAN (when Mr. SHIELDS's name was called). I have been requested to announce that the Senator from Tennessee [Mr. SHIELDS] is unavoidably detained.

Mr. STANLEY (when his name was called). I transfer my general pair with the Senator from Kentucky [Mr. ERNST] to the Senator from Louisiana [Mr. RANSDELL] and will vote. I vote "yea."

Mr. WATSON (when his name was called). Making the same announcement as on the preceding vote with reference to my pair and its transfer, I vote "nay."

The roll call was concluded.

Mr. LODGE. I have a general pair with the senior Senator from Alabama [Mr. UNDERWOOD]. I transfer that pair to the Senator from Virginia [Mr. SWANSON] and will vote. I vote "nay."

Mr. JONES of New Mexico (after having voted in the negative). I have a general pair with the Senator from Maine [Mr. FERNALD]. I understand that that Senator, if present, would vote as I have voted, and I therefore allow my vote to stand.

Mr. HARRISON. On this question I am paired with the Senator from New Jersey [Mr. EDGE]. If at liberty to vote, I should vote "yea," and the Senator from New Jersey would vote "nay."

Mr. CURTIS. I have been requested to announce the following general pairs:

The Senator from Rhode Island [Mr. COLT] with the Senator from Florida [Mr. TRAMMELL];

The Senator from Illinois [Mr. MCCORMICK] with the Senator from Oklahoma [Mr. OWEN];

The Senator from West Virginia [Mr. ELKINS] with the Senator from New Jersey [Mr. EDWARDS];

The Senator from Pennsylvania [Mr. PEPPER] with the Senator from Rhode Island [Mr. GERRY]; and

The Senator from New Jersey [Mr. EDGE] with the Senator from Mississippi [Mr. HARRISON].

The result was announced—yeas 41, nays 26, as follows:

YEAS—41

Ashurst	Dill	Jones, Wash.	Reed, Mo.
Borah	Ferris	Kendrick	Sheppard
Brookhart	Fletcher	King	Simmons
Broussard	Frazier	McKellar	Smith
Capper	George	McNary	Stanley
Caraway	Harreld	Mayfield	Stephens
Copeland	Harris	Neely	Swanson
Cummins	Heflin	Norbeck	Walsh, Mont.
Curtis	Howell	Norris	
Dale	Johnson, Calif.	Overman	
Dial	Johnson, Minn.	Ralston	

NAYS—26

Adams	Glass	McLean	Sterling
Ball	Gooding	Moses	Wadsworth
Bayard	Hale	Oddie	Warren
Brandegee	Jones, N. Mex.	Phipps	Watson
Bursum	Keyes	Reed, Pa.	Willis
Cameron	Lodge	Smoot	
Fess	McKinley	Stanfield	

NOT VOTING—29

Bruce	Gerry	Pepper	Trammell
Colt	Greene	Pittman	Underwood
Couzens	Harrison	Ransdell	Walsh, Mass.
Edge	Ladd	Robinson	Weller
Edwards	La Follette	Shields	Wheeler
Elkins	Lenroot	Shipstead	
Ernst	McCormick	Shortridge	
Fernald	Owen	Spencer	

So Mr. NORRIS's amendment to the amendment of the committee was agreed to.

The PRESIDENT pro tempore. The question now is upon agreeing to the committee amendment as amended.

Mr. REED of Missouri. Mr. President, I understand that we are now on section 1000. I offered in the committee an entirely different plan than has been reported here, one which I desire very much to submit to the Senate. I have talked to the chairman of the committee, who has been very courteous and accommodating in regard to this bill, and asked him to allow this particular provision to go over until to-morrow morning. Apparently, he does not feel that he can do that; and yet I feel impelled to insist that the question shall be discussed before the Senate as in Committee of the Whole. I am sorry not to be able to agree with the Senator in charge of the bill.

If this particular provision could be passed over until to-morrow morning, I would be ready to present my objections to it, and a substitute for the provision. I hope the Senator can allow the bill to take that course.

Mr. SMOOT. I would like to do it, but the Senator can offer the amendment when the bill reaches the Senate. I do want to get through with this and the radio amendment.

Mr. REED of Missouri. Then let us take up the radio amendment.

Mr. HARRISON. Will the Senator from Missouri yield?

Mr. REED of Missouri. I yield.

Mr. HARRISON. May I say to the Senator in charge of the bill that he will recall that this is one provision in which the Senator from Missouri was more interested than any other provision of the bill; that is, he discussed it quite fully before the committee. We have been in session since 11 o'clock this morning, seven hours, in the consideration of this bill, working hard——

Mr. McKELLAR. And made good progress.

Mr. HARRISON. And we have made fine progress. It does seem to some of us over here that the Senator is almost unreasonable in his insistence that we finish with this provision to-night and take up the radio proposition, on which there will be many speeches.

Mr. SMOOT. Mr. President, all the vital part of the bill is yet untouched. We have the normal tax, the surtax, the corporation tax, the estate tax, and the gift tax all yet to be acted upon, and there will be more discussion on those amendments than there has been on all the amendments we have acted on.

Mr. HARRISON. The Senator appreciates the fact that there have been many changes in the administrative features of this proposed legislation and that we have been considering the measure but a few days. Heretofore the consideration of a tax bill has taken weeks on weeks of time. We can finish the consideration of this bill by the end of next week, at least, it would seem to some of us, and these matters will be discussed. The Senator from North Carolina [Mr. SIMMONS], who has been working hard on the surtax proposition, will be able to go on to-morrow. All these matters can be settled to-morrow, and then we can take up the surtax and the normal-tax features.

The Senator ought to bear in mind also that the Democrats have been in caucus for two nights in succession, last night and the night before last. He does not want to work us to death.

Mr. SMOOT. The Senator from Missouri can offer his amendment in the Senate, and there will be no objection whatever to that course. It can be discussed and voted upon.

Mr. REED of Missouri. That is true; but how much time would we be able to save by that? If it should go over until to-morrow it would be discussed in the Committee of the Whole, and that would be the end of it, in all human probability. All I am asking is a day's delay. If I withhold the amendment now until the bill gets into the Senate, the discussion will occur and the delay will be just as long. If it can go over until to-morrow I will be in a little better shape to present my views, and I think I can save some time. If I had to explain my position on the amendment to-night, in my present unprepared condition, I am afraid it would take so long to do it that we would really not save any time.

Mr. SMOOT. There are some amendments which the Senator from Tennessee [Mr. McKELLAR] desires to offer. Let us discuss those amendments now. The Senator is ready to discuss those, anyway.

Mr. REED of Missouri. My proposition is an entire substitute for this section; and if my amendment should succeed, then the discussion of any amendments to this particular section would have meant time lost.

Mr. SMOOT. I would like to have the Senator from Tennessee go on.

Mr. McKELLAR. Very well. Mr. President, I offer the following amendment.

The PRESIDENT pro tempore. The Secretary will report the amendment offered by the Senator from Tennessee.

The READING CLERK. After line 21, on page 237, the Senator from Tennessee proposes to add a new subsection, to be known as (EA), as follows:

The board shall have original jurisdiction to try and determine all claims for abatements or refunds on account of losses, depletions, depreciation, or otherwise, where the amount of tax involved is in excess of $10,000. All such claims for abatements or refunds involving more than $10,000 of taxes shall be automatically referred to the board and heard upon the evidence on file and such other evidence as may be presented under the rules of the board. The board shall certify its findings to the Treasury Department, such findings shall be final, and the taxes shall be collected by the Commissioner of Internal Revenue upon the basis of such findings.

The board shall also have original jurisdiction to determine all cases arising under section 221 of this act, and when their findings are certified to the Treasury Department such findings shall be final and the Commissioner of Internal Revenue shall collect the taxes thus found to be due as provided by this act.

Mr. McKELLAR. Mr. President, I will explain, in a very brief manner, the meaning of this amendment. I am inclined to think that this board is a step in the right direction. We ought to have had it long ago. I think it can be made a very useful piece of tax machinery. This amendment merely gives to that board jurisdiction over claims for refunds or abatements where the amount of taxes claimed is more than $10,000.

It seems to me that in matters of such importance the tax board which is created by this act manifestly should try and determine those claims for refunds and abatements. When that is done it seems to me this provision makes it certain that those taxes will be collected, and they are to be matters of public jurisdiction, and there is no reason in the world why this board should not have jurisdiction of them.

As to the second provision of the amendment, it will be recalled that letters from the Secretary of the Treasury show that section 221 has not been enforced. Section 221 relates to corporations formed or used for the purpose of evading taxes. It merely gives this board jurisdiction to determine those matters. I hope this amendment will be agreed to, and I hope the Senator from Utah will accept it.

Mr. SMOOT. I do not think that even the Senator will ask that it be agreed to when he knows what it means.

Mr. McKELLAR. I think I do know what it means.

Mr. SMOOT. This is what it means: It means that instead of having 28 judges we will have over 300 judges. We have over 5,000,000 claims pending now, and if they are all to go——

Mr. McKELLAR. Mr. President, it relates only to claims of over $10,000.

Mr. SMOOT. I know that it relates to claims of over $10,000. Could 400 judges handle it? I am sure we would have to have at least 300 before the expiration of the time fixed in the amendment. I know the Senator has not studied the question. In fact, when I looked at it myself first I did not know how many claims there were.

Mr. McKELLAR. How many claims did the Senator say there were?

Mr. SMOOT. Over 5,000,000.

Mr. McKELLAR. Of over $10,000 each?

Mr. SMOOT. Of over $10,000.

Mr. McKELLAR. In taxes?

Mr. SMOOT. These claims.

Mr. McKELLAR. I asked the Senator's assistant, the gentleman from the Treasury Department, to give me the facts and he said he could not do it, that it would take him some time to find them.

Mr. SMOOT. That was as to claims and abatements. That is quite different from this amendment. This amendment relates to any claim, refund, or abatement.

Mr. McKELLAR. There are how many?

Mr. SMOOT. Over 5,000,000.

Mr. McKELLAR. Above $10,000?

Mr. SMOOT. Above $10,000.

Mr. McKELLAR. That involves quite a large amount of money.

Mr. SMOOT. It certainly does.

Mr. McKELLAR. Five million claims of over $10,000 each? I am sure the Senator can not be accurate in his statement.

Mr. SMOOT. All I know is that I have been informed by the department, since reading the amendment, that that is the fact. I asked for the information, and that is what they told me.

Mr. McKELLAR. Has the Senator any information he can put in the RECORD from the department that there are over—did the Senator say 10,000,000?

Mr. SMOOT. Five million.

Mr. McKELLAR. That there are more than 5,000,000 claims of over $10,000 each?

Mr. SMOOT. We can get the information for the Senator by to-morrow.

Mr. McKELLAR. I ask to be allowed to have the amendment go over until we can get the facts.

Mr. SMOOT. There is no necessity of that. If there were half that number, we have not enough judges. We are not going to provide 200 judges.

Mr. OVERMAN. The Senator certainly did not mean 5,000,000 claims?

Mr. McKELLAR. That would mean $50,000,000,000——

Mr. SMOOT. I do not mean that.

Mr. McKELLAR. I am sure the Senator could not mean that.

Mr. SMOOT. I do not mean in dollars at all; I mean in claims.

Mr. McKELLAR. Five million claims of more than $10,000 each would be over $50,000,000,000 in claims.

Mr. SMOOT. The claims are not to be paid.

Mr. McKELLAR. I know, but——

Mr. SMOOT. Not 2 per cent of them have been paid, as I stated to-day, and as the Senator knows; but the claims are made, and whenever there is a dispute as to the taxes, the taxpayers claim nearly all the amount of their taxes, and therefore all such claims would have to go to a court, and we would not have courts enough in the United States.

Mr. KING. Will my colleague yield?

Mr. SMOOT. I yield.

Mr. KING. May I say to my friend from Tennessee that the situation is like this: Many of those claims go back to the year 1917, and there are claims by many taxpayers for 1917, 1918, 1919, 1920, 1921, 1922, and 1923. Nearly every taxpayer of any large amount makes some sort of a claim for refund or for abatement, so that there may be two or three or four or five or six claims by the same taxpayer. In the aggregate, I am told that it would be several million. That does not mean that each one claims $10,000, but they make a claim for a refund or abatement upon an assessment that involves in the aggregate more than $10,000.

Mr. McKELLAR. If there were 5,000,000 claims of $10,000 each in taxes, it would be something so stupendous that the mind of man could hardly conceive it. I am sure the Senator from Utah [Mr. SMOOT], who is generally accurate and who accused me of not knowing what my amendment meant, has his facts sadly mixed on this proposition. I challenge him to bring the facts from the Treasury Department. The Treasury Department can give them.

Mr. SMOOT. I have already stated to the Senator that I have not made a personal examination into those claims, and no one else has done so outside of the Treasury Department; but the Treasury Department officials tell me that there are over 5,000,000 claims which would be affected by this amendment. It is impossible to have enough judges to handle those claims. Of course, there is nothing to many of the claims. There probably is nothing to 98 per cent of them. But the taxpayers have a right to file claims. They make the claims, and I refer to claims to abatement as well.

For the reasons I have given, I hope the amendment will not be agreed to.

Mr. McKELLAR. It is absolutely a physical impossibility from the indisputed facts for any such number of claims to be in the Treasury Department. There are 4,300,000 taxpayers. A tax claim can only go back five years. Back of that time they are barred by the statute of limitations. When the Senator tells me that there are a million taxpayers in the country whose taxes involve more than $10,000—1,000,000 for each of the years—he is just saying something that he can not, in my judgment, substantiate from the records in the Treasury Department. Just think of it for a moment—4,300,000 taxpayers of all kinds. It is impossible that there should be 5,000,000 involving taxes of over $10,000. It is a physical impossibility.

Mr. SMOOT. The Senator may think that, and it may be so.

Mr. McKELLAR. Then let us get the facts. The Treasury can give us the facts to-morrow morning.

Mr. SMOOT. There is no question about it that there are so many claims that without a particle of doubt any kind of an amendment of this sort would require many additional judges. It is impractical, and the amendment should not be agreed to.

SEVERAL SENATORS. Vote! Vote!

Mr. McKELLAR. Mr. President, just a moment before we vote. I want to ask the Senator, if I permit this amendment to be agreed to, when it is reached in the Senate will the Senator give us the information about the number of claims, or have it given to us by the Treasury Department?

Mr. SMOOT. The Senator has a perfect right to bring up the question in the Senate.

Mr. McKELLAR. I know, but I want to get the information. The Senator has disputed the facts.

Mr. SMOOT. I will give the information that I have already given, and the source from which it came, when the bill reaches the Senate.

Mr. McKELLAR. If it is not disposed of now, I will offer it to-morrow.

Mr. SMOOT. But I want to dispose of it now.

Mr. McKELLAR. Very well. I withdraw my amendment for the present.

The PRESIDENT pro tempore. The Senator from Tennessee withdraws his amendment. The question is on agreeing to the amendment of the committee as amended.

The amendment as amended was agreed to.

Mr. SMOOT. Mr. President, on page 197 I am informed that the word "Mah-jongg" is spelled wrong and I ask that the spelling of that word in line 3 be "Mah-jongg."

Mr. DILL. Does the Senator know where the correct spelling can be found? Is the Senator establishing the correct spelling legally?

Mr. SMOOT. This is the legal spelling of the word, I am informed by an expert in whom I have great confidence.

Mr. SWANSON. Will the Senator from Utah have incorporated in the RECORD as a part of his remarks the rules governing the game? [Laughter.]

Mr. SMOOT. I have never played the game and do not know anything about it.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Utah.

The amendment was agreed to.

Mr. SMOOT. I now desire to have the Senate take up the amendment on page 197, line 5.

The PRESIDENT pro tempore. The amendment will be stated.

The READING CLERK. On page 197, line 5, the committee proposes to insert:

(10) Radio receiving sets, 10 per cent.

Mr. WADSWORTH. Mr. President, may I ask the chairman of the committee to state to the Senate the committee's attitude on the taxing of radio sets?

Mr. SMOOT. Yes; I think I can do it in a very few words. Your committee was advised that radio sets are made by one great concern in the United States, a monopoly pure and simple. They are demanding to-day every dollar that they can get, and yet keep up the maximum demand. Every dollar that the trade will bear is being charged for them now, and any tax that is imposed upon them will not make a single penny of difference in the price at which they will be sold.

Mr. DILL. What is there in the proposed amendment that will keep the Radio Corporation, which the Senator says is a monopoly and which I shall not argue just now, from adding the amount of the tax to the present price?

Mr. SMOOT. Because if they do it their sales will be cut off, and because of the fact that they are charging now every cent that they can get.

Mr. DILL. That is merely the Senator's opinion about it.

Mr. SMOOT. I get it direct from a large stockholder of that concern.

Mr. DILL. I disagree with the Senator very much.

Mr. WADSWORTH. I am not prepared to contradict flatly the statement of the Senator from Utah, but I would observe that it is a very, very sweeping one.

Mr. SMOOT. Yes; it is.

Mr. WADSWORTH. And apparently his testimony comes from one person. I am not prepared to agree with the statement that all the radio sets used in the United States

are made by one concern, by a monopoly, and that the last penny is being wrung from the public in the sale of them. I know this, however, about the sale of them, that they are sold within the reach of the public at present prices and that they are being sold by the millions. I do not detect any great degree of oppression manifest upon the consumers or customers by whoever makes the sets. I know that little boys are able to buy them with from $12 to $15 as the price.

My object in bringing the matter up at this hour, and I do not intend to discuss it at length, is simply to make this observation. Here we have a brand-new development. It is in its infancy. Apparently the committee believes that because it has had such an astonishing spread all over the country, "here is something to tax right away; do not let it get away." We do not know what is going to develop out of it. It is in its infancy. We can not tell what it will be two or three or five years from now. It seems to me the Government might at least wait a year or two or three years before it places its heavy hand upon a brand-new undertaking which bids fair to be so successful. If it turns out in the years to come that the industry becomes stabilized and the character of the instrument becomes standarized and we all know what we want and what we mean when we say a radio set or the spare parts thereof, whatever it is, then let us tax it. But it seems to me this is proceeding pretty fast.

Mr. SMITH. Mr. President, if the Senator will allow me, I do not think anyone here would think for a moment that the tax which we impose on this business which, as the Senator from New York said, is in its infancy——

Mr. SMOOT. Not so far as its profits are concerned, I will say to the Senator.

Mr. SMITH. We know that it is just now beginning to be appreciated by the people. It is not only educational in its influence, but it is a wonderful convenience to a vast number of people. The Senator knows that the moment we put this tax on it will automatically reflect itself in the sale price.

Mr. SMOOT. No; the Senator from Utah does not know that.

Mr. SMITH. The Senator knows that it will check the spread of it to the extent that the tax adds to the cost thereof. The Senator will not forget that when we added the war tax to the moving-picture shows it immediately was seized upon by the moving-picture people and not only was added to the price of the tickets but became the basis of raising prices almost three or four times. The Senator is well enough acquainted with statistics and with finance to know that when we put a tax upon an article it is not alone the imposition of the direct tax in the sale, but it multiplies itself two or three times before it reaches the ultimate consumer or possessor of it.

Mr. SMOOT. Not in this case, I will say to the Senator from South Carolina.

Mr. SMITH. I protest that here, right in the very dawn of a most wonderful scientific discovery that is available for everybody, taking the place possibly in the next few years of our system of telephoning and telegraphing and making available a new means of communication—right at the very inception of it, before anything is standardized or perfected, we begin to discourage it by imposing taxes on it. I sincerely hope, in the interest of the development of this wonderfully applicable invention or triumph, that we shall not begin to discourage it by taxation.

Mr. SMOOT. Mr. President——

Mr. SMITH. If the Senator will allow me, we have gotten ourselves in a position where——

Mr. SMOOT. Where we are not raising enough money to pay the expenses of the Government; that is where we have gotten ourselves to.

Mr. SMITH. It does seem to me that we tax everything on land and on sea, and for God's sake let us try to leave the air at least free.

Mr. SWANSON. Will the Senator from Utah allow me to ask a question? Are there any other taxes imposed by this bill on new subjects of taxation.

Mr. WADSWORTH. There is Mah-jongg.

Mr. SMOOT. There is Mah-jongg.

Mr. DILL. Is there any significance that Mah-jongg and radio are put on the same plane?

Mr. SWANSON. I ask the question for information. I thought this was a tax reduction bill and not a tax increase bill, and I am very loath to vote for taxes on new items in a tax reduction bill or to increase the tax on anything in what is designated as a tax reduction bill. Is there any other new item on which we impose a tax?

Mr. McKELLAR. We have increased the tax on corporations to $19,000,000.

Mr. SMOOT. If there is anything on earth that is a luxury it is this.

Mr. CARAWAY. Does the Senator refer to the radio?

Mr. SMITH. Radio is a luxury?

Mr. SMOOT. Yes; it is a luxury.

Mr. CARAWAY. The air one breathes, then, is a luxury, because radio has largely to do with the air.

Mr. SMOOT. The tax is on the receivers.

Mr. CARAWAY. The receivers will be the American people when the Senator from Utah gets through.

Mr. SMOOT. I know the Senator feels that there is politics in it; that it is going to have an effect throughout the country, and that our action will be radioed from one end of the land to the other and will be charged up to the Republican Party. I will say, however, that there was not a member of the committee who did not vote for this amendment.

Mr. DILL. Mr. President, will the Senator from Utah yield to me?

Mr. SMOOT. I yield.

Mr. DILL. Does the Senator think it is a luxury to the farmer who is getting market reports and weather reports tonight by radio?

Mr. SMOOT. The farmer who is using the radio gets such reports from the daily papers every day.

Mr. DILL. I wish to say to the Senator that there are literally thousands of farmers who can not get newspapers, but who get reports through the air every night.

Mr. SMOOT. Then, the farmer buys a radio set.

Mr. COPELAND. But if we tax the radio set the farmer will have to pay more for it.

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from New York?

Mr. SMOOT. I yield.

Mr. COPELAND. The most familiar argument to which we listen from the Republican Party is that the public does not pay the tax; but the public does pay the tax, and if we put a 10 per cent tax on radio sets, the owners of the patents, who, as the Senator has said, have gotten everything they can from the public, will add 10 per cent more, and the public will pay it.

Mr. SMOOT. They will if they can sell their receivers for any more than the price at which they sell them to-day, but they are selling their receivers for every dollar for which they can sell them and keep production going. That is understood.

Mr. COPELAND. Mr. President, in my judgment, several things have done very much to promote the happiness of the human family—the daily newspaper, the free delivery of mail, the telephone, the automobile, and now the radio; but I look upon the radio as the most remarkable of all inventions, not because of the mystery attached to it but because of the result coming from it. There is not any question but that it has wiped out the isolation of millions of families. It is a means for the dissemination of education in every line, even the dissemination of knowledge of political movements. I assume that the President of the United States will make great use of the radio during the next few months.

Mr. SMOOT. Then he can pay a 10 per cent tax on his receiver.

Mr. COPELAND. I think the tax would be very desirable in that case.

Mr. JOHNSON of Minnesota. Mr. President, there is a church in my county the congregation of which could not afford to hire a minister, so they bought a radio set and now they can listen to the sermons of ministers of other churches.

Mr. COPELAND. Mr. President, the use of the radio gives a knowledge of health, of the chemistry of the soil, of the weather, of marketing, of literature, and of music. It has done much for the comfort and happiness of the people. I say it would be a great mistake to tax the people who now are paying, as the Senator from Utah has said, every dollar which can be extorted from them still more in order that they may have this great convenience, this invention which adds not alone to their happiness but to their length of life.

Mr. SMOOT. I recognize that the radio is a great convenience and has great utility. There is not any doubt about that; but, Mr. President, it is not the only great convenience which we propose to tax.

Mr. McKELLAR. How much revenue would be derived from the tax?

Mr. SMOOT. It is estimated that it would amount to about $10,000,000.

Mr. SIMMONS and Mr. HEFLIN addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Utah yield; and if so, to whom?

Mr. SMOOT. I yield the floor to the Senator from North Carolina. He may take it.

Mr. SIMMONS. I simply wish to say——

Mr. FLETCHER. Mr. President, will the Senator allow me to interrupt him long enough to ask to have noted in the RECORD petitions on this subject from various sources?

Mr. SIMMONS. Very well.

[The petitions will be found noted in their proper place in the RECORD.]

Mr. HEFLIN. Mr. President, will the Senator from North Carolina permit me to ask the Senator from Utah if it is his purpose to ask for a vote on the amendment to-night?

Mr. SMOOT. Yes; I desire to have a vote on the amendment to-night.

Mr. SIMMONS. Mr. President, I think, so far as this matter was presented to the committee, the situation was about this: We were discussing a reduction of miscellaneous taxes and the committee decided to impose a tax upon telegrams and telephone messages, the House having stricken that tax from the bill, and also to impose a tax upon radio. The view that I had at the time was that, if we were to tax telegrams and telephone messages, we probably ought also to impose a tax upon radio. It was for that reason that I acquiesced in the action of the committee. But the Senate has decided not to impose any tax upon telegrams and telephone messages, and I do not see why, if that action is to stand, we should not also reverse our action upon the subject of radio.

Mr. SMOOT. The Senator knows that there were not 20 Senators in the Chamber when the action as to telegrams and telephone messages was taken.

Mr. SIMMONS. I was going to suggest to the Senator—and that is the reason I rose—that I presume there will be another vote after the bill shall be reported to the Senate.

Mr. SMOOT. Yes.

Mr. SIMMONS. Why not, therefore, let the radio tax go out now, just as the tax on telegrams and telephone messages has gone out; and if in the Senate the tax on telegrams and telephone messages is restored, then we may take another vote with reference to radio and restore that tax also, so as to let them go along together; but if when the bill gets into the Senate we confirm the action taken as in Committee of the Whole on the subject of telegrams and telephone messages, then let the radio tax go out with the tax on such messages. I simply make that suggestion to the chairman of the committee.

Mr. DILL. Mr. President, has the Senator concluded?

Mr. SIMMONS. I merely rose to make a suggestion; that was all.

Mr. DILL. Mr. President, I wish to say to the Senator from Utah that there are a number of Senators who have left the Chamber with the understanding that the radio tax would not come to a vote to-night. I do not know where they got that understanding.

Mr. SMOOT. Nor do I.

Mr. DILL. I feel that they ought to be present if this question is to be voted on, and I think that we ought to have a quorum if this matter is going to be pressed to a conclusion to-night.

Mr. SMOOT. The Senator can suggest the absence of a quorum now if he desires to do so.

Mr. DILL. I should like to see the matter go over until to-morrow morning in order that a full Senate may be present.

Mr. SMITH. I should like to ask the Senator from Utah a question. The Senator from North Carolina [Mr. SIMMONS] has suggested that in view of the fact that the tax on telegrams and telephone messages has been removed, which action the Senator from Utah said was on account of the few Senators present and he indicates that he will ask for another vote on the question when the bill gets into the Senate, why not allow the radio tax to go along with the tax on telegrams and telephone messages and take it up when we get into the Senate?

Mr. SMOOT. So far as I am concerned, I think there ought to be a tax on radio whether there is a tax on telegrams and telephone messages or not.

Mr. SMITH. Will the Senator allow me to call his attention to a practical illustration that has just occurred and that interests me because it relates to my section of the country?

Mr. SMOOT. Yes.

Mr. SMITH. The terrific tornado that swept through the South and particularly through my State isolated the section visited by tearing down the telegraph and telephone wires, and had it not been for the radio the outside world would not have been acquainted for hours with the condition of that stricken territory. The Senator will not pretend to say that the radio in its practical application and in its service to the public is not superior to both the telephone and the telegraph, even right now in its infancy.

Mr. SMOOT. If we took that position on the tax question, we would not raise any revenue.

Mr. SMITH. Oh, no; we would be more judicious in what we imposed taxes upon, and that is what I am pleading for now.

Mr. HEFLIN. Mr. President, I wish to suggest that when the Senate meets on to-morrow, if the Senator from Utah proposes to go far beyond the usual time for adjournment, he announce to Senators that he expects to have a night session or a late session.

Mr. SMOOT. I will say to the Senator I did make such an announcement last night.

Mr. HEFLIN. Now, if we are going on, we ought to have a quorum, and I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Adams	Fletcher	McKellar	Simmons
Ball	Frazier	McKinley	Smith
Bayard	Gooding	McLean	Smoot
Brookhart	Hale	McNary	Stanfield
Bursum	Harreld	Moses	Stanley
Cameron	Harris	Neely	Sterling
Capper	Harrison	Oddie	Swanson
Caraway	Heflin	Overman	Wadsworth
Copeland	Howell	Phipps	Warren
Cummins	Johnson, Minn.	Ralston	Watson
Curtis	Jones, N. Mex.	Ransdell	Willis
Dale	Jones, Wash.	Reed, Pa.	
Dill	Kendrick	Sheppard	
Fess	Keyes	Shipstead	

Mr. OVERMAN. I desire to announce that the Senator from Tennessee [Mr. SHIELDS] is unavoidably detained.

The PRESIDENT pro tempore. Fifty-three Senators have answered to their names. There is a quorum present.

Mr. DILL. Mr. President, I want to take just a moment to say a few things in reply to the Senator from Utah [Mr. SMOOT] in regard to the nature of radio.

This tax, in the first place, is what might be called a nuisance tax, because it will be more trouble to collect it than the money it will bring in. It is a new nuisance tax, and it is on a new and developing art.

The Senator referred to radio as a luxury. I am surprised that the Senator, with his wide knowledge of other affairs, should call radio a luxury in this day and age, when literally thousands and hundred of thousands of people to-night will secure the only information they can secure at this time by means of radio and radio alone. It is not a luxury, but it is a practical necessity to the people who live in the country districts of this Nation. The newspapers reach them to-morrow or to-morrow night; but this evening, after they eat their dinners in their homes, they will hear the market returns, they will hear the weather returns, and they will hear all sorts of information, to say nothing of the entertainment they secure.

The Senator gives as the reason why this tax should be levied the fact that the Radio Corporation, which handles the patents on radio, is making enormous profits. If that be the principle upon which you are going to base taxes, why not lay taxes upon every other concern that is making immense profits? The Senator has not proposed any tax on the Standard Oil Co. The Senator has not proposed any tax on the use of steel articles in this country, yet the great steel corporations are making enormous profits. If the Senator wants to reach the profits of the Radio Corporation, then he should introduce a bill and let it go to the Committee on Patents to limit the amount of profit that can be made on a patent that is held as a monopoly. Then he would get somewhere in stopping the profits of this monopoly on radio concerning which he speaks.

I want to call attention to another feature of this legislation. It is unworkable. It proposes a tax upon the parts of radio sets. Who is a manufacturer of radio? Is every small boy and every high-school boy in this country who gets a little wire and a crystal that costs him a dollar or two and a set of head phones a manufacturer of radio sets? And when does he become a manufacturer? When he goes in to buy some wire, if he buys the wire for radio, they will tax him; and if not, they will not tax him. If he buys parts for a bigger set, if he buys a battery and says it is to run a doorbell, it is not taxed; but if he takes it home and uses it for radio, then, according to this amendment, it should be taxed.

Mr. SMOOT. Mr. President, the same thing applies to automobiles, and that matter is regulated by the department, and

they are having no trouble whatever about it. Under this amendment the regulations of the department will say just what is and what is not to be taxed. There are screws in an automobile; there are bolts in an automobile; but the regulations cover those things.

Mr. DILL. I want to remind the Senator, however, that there is no comparison between automobiles and radio sets, because automobiles are manufactured by great corporations or organizations. Individuals do not go around buying pieces and putting them together and making automobiles. That is a ridiculous comparison.

Mr. SMOOT. But they buy bolts, and they buy screws, and so on.

Mr. DILL. But they do it as an organization, a corporation that is engaged in building automobiles.

Mr. SMOOT. Oh, no; the Senator himself, if he is running an automobile and taking care of one, will buy parts for it.

Mr. DILL. The Senator from Washington is not going to go to building automobiles by buying parts. He has enough trouble to run the one he has.

Mr. SMOOT. He can buy the parts all right.

Mr. DILL. Then there is just one other thing: I had a letter from a farmer yesterday. He said: "You might just as well tax the rural-delivery box that the rural carrier puts my mail in as to tax my radio set." We might just as well tax the newspapers that bring the news to his door. It seems to me that in a tax reduction bill the last thing we ought to allow a tax to be imposed upon is a new and developing art that means so much to the common people, not only of this country but of the world; and just as firmly as I believe that the press ought to be kept free, and that speech ought to be kept free, I believe the right to use radio ought to be kept free, because I believe it will eventually be a greater blessing than the free press has ever been in this country.

Mr. CURTIS. Mr. President, I desire to make a suggestion. Undoubtedly this question will be taken up again when the bill reaches the Senate. I ask unanimous consent that without further debate we decide this question now on a standing vote. Then, no matter how it is decided, there will be another vote in the Senate and it will then be open to discussion.

Mr. FLETCHER. Why decide it on a standing vote?

Mr. REED of Missouri. Mr. President, I can not consent to a disposition of this matter in that way. The idea that postponing a matter until it reaches the Senate saves much time does not appeal to me. I wonder if the Senator in charge of the bill expects to get a vote on this proposition to-night?

Mr. SMOOT. Mr. President, I do desire to get a vote upon it to-night. I want to do what the Finance Committee authorized me to do, and that was, by a unanimous vote, to bring in this amendment. If the Senate feel that they want to strike it out, well and good; but it is my duty to do just exactly what I have been instructed by the committee to do, and I want a vote upon this amendment.

Mr. REED of Missouri. Of course, the committee did not instruct the Senator to get a vote to-night. It instructed him to report the bill.

Mr. SMOOT. I know that. I am perfectly aware of that.

Mr. REED of Missouri. This is an important amendment.

Mr. SMOOT. I want, however, to call the Senator's attention to the fact that we have had two days here when there has not been a vote.

Mr. REED of Missouri. Why, we have had several votes.

Mr. SIMMONS. We have had several votes to-day.

Mr. SMOOT. I do not mean to-day; I mean before to-day.

Mr. REED of Missouri. Mr. President, I have seen these attempts made to rush matters through, and I have seen the Senate held here until it is impatient and wants to vote. Perhaps everybody has made up his mind about this proposition, but I think it is a matter of great importance. Some Senators want to vote on it without discussing it. They might perhaps vote on every proposition in the bill without discussing it.

Mr. SMOOT. I have not any doubt how the Senate will vote upon this amendment.

Mr. REED of Missouri. If I had no doubt and knew they were going to vote it out, I should be perfectly content.

Mr. CARAWAY. They are.

Mr. McKELLAR. I think we are.

Mr. REED of Missouri. Very well, let us have a roll call on it.

Mr. SMOOT. I do not think there is any doubt at all about it.

Mr. McKELLAR. I call for the yeas and nays, Mr. President.

The yeas and nays were ordered.

Mr. HOWELL. Mr. President, I should like to call attention to one fact in connection with radio apparatus, and that is that the inexpensive apparatus can be used in cities where the broadcasting stations are located. It costs comparatively little. The expensive sets, those that will bear the greatest tax, must be purchased by farmers who are far away from these broadcasting stations. The consequence is that the agricultural communities will pay the major portion of this tax, and it ought not to be imposed upon them.

Mr. SMOOT. Mr. President——

Mr. DILL. Mr. President, let us have an understanding.

Mr. FLETCHER. The question is whether or not the Senate will agree to the committee amendment.

Mr. DILL. A vote "yea" is for the radio tax, and a vote "nay" is against the radio tax?

Mr. McKELLAR. That is right.

The PRESIDENT pro tempore. The Secretary will call the roll.

The reading clerk proceeded to call the roll.

Mr. LODGE (when his name was called). I have a general pair with the Senator from Alabama [Mr. UNDERWOOD]. I transfer that pair to the Senator from Missouri [Mr. SPENCER] and will vote. I vote "yea."

Mr. McLEAN (when his name was called). I have a general pair with the junior Senator from Virginia [Mr. GLASS]. I transfer that pair to the senior Senator from New Jersey [Mr. EDGE] and will vote. I vote "yea."

Mr. HOWELL (when Mr. NORRIS's name was called). At the request of the senior Senator from Nebraska [Mr. NORRIS] I wish to say that if he were present he would vote "nay."

Mr. PHIPPS (when his name was called). I have a pair with the junior Senator from South Carolina [Mr. DIAL]. I transfer that pair to the senior Senator from Maryland [Mr. WELLER] and will vote. I vote "nay."

Mr. STANLEY (when his name was called). Making the same announcement as before as to my pair, I withhold my vote.

Mr. HARRISON (when the name of Mr. WALSH of Massachusetts was called). I desire to announce that the Senator from Massachusetts [Mr. WALSH] is unavoidably detained.

Mr. WATSON (when his name was called). Making the same announcement as before with reference to my pair and its transfer, I vote "yea."

The roll call was concluded.

Mr. COPELAND. I have a pair with the junior Senator from Utah [Mr. KING], which I transfer to the junior Senator from Montana [Mr. WHEELER] and vote "nay." If the Senator from Utah [Mr. KING] were present, he would vote "yea" on this proposition.

Mr. FLETCHER. My colleague [Mr. TRAMMELL] is unavoidably absent. He is paired with the Senator from Rhode Island [Mr. COLT]. If he were present, he would vote "nay."

Mr. CURTIS. I desire to announce the following general pairs:

The Senator from Pennsylvania [Mr. PEPPER] with the Senator from Rhode Island [Mr. GERRY];

The Senator from West Virginia [Mr. ELKINS] with the Senator from New Jersey [Mr. EDWARDS]; and

The Senator from Illinois [Mr. McCORMICK] with the Senator from Oklahoma [Mr. OWEN].

The result was announced—yeas 13, nays 40, as follows:

YEAS—13

Cummins	Hale	Smoot	Watson
Curtis	Lodge	Stanfield	
Fess	McLean	Sterling	
Gooding	Reed, Pa.	Warren	

NAYS—40

Adams	Dill	Kendrick	Ralston
Ball	Fletcher	Keyes	Ransdell
Bayard	Frazier	McKellar	Reed, Mo.
Brookhart	Harreld	McKinley	Sheppard
Bursum	Harris	McNary	Shipstead
Cameron	Harrison	Moses	Simmons
Capper	Heflin	Neely	Smith
Caraway	Howell	Oddie	Swanson
Copeland	Johnson, Minn.	Overman	Wadsworth
Dale	Jones, Wash.	Phipps	Willis

NOT VOTING—43

Ashurst	Ernst	La Follette	Shortridge
Borah	Fernald	Lenroot	Spencer
Brandegee	Ferris	McCormick	Stanley
Broussard	George	Mayfield	Stephens
Bruce	Gerry	Norbeck	Trammell
Colt	Glass	Norris	Underwood
Couzens	Greene	Owen	Walsh, Mass.
Dial	Johnson, Calif.	Pepper	Walsh, Mont.
Edge	Jones, N. Mex.	Pittman	Weller
Edwards	King	Robinson	Wheeler
Elkins	Ladd	Shields	

So the amendment of the committee was rejected.

Mr. SMOOT. Mr. President, that covers all the amendments in the bill with the exception of the normal and surtax amendments, the amendment covering the tax on corporations, the amendment covering the estate tax, and the amendment cover-

ing the gift tax. I understand the Senator from North Carolina [Mr. SIMMONS] will be ready to take up the surtax to-morrow morning.

I ask unanimous consent that the Senate take a recess until 12 o'clock to-morrow.

There being no objection, the Senate (at 6 o'clock and 50 minutes p. m.) took a recess until to-morrow, Saturday, May 3, 1924, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

FRIDAY, *May 2, 1924*

The House met at 11 o'clock a. m., and was called to order by Mr. MAPES, as Speaker pro tempore.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

We praise Thee, O Lord, for all Thy impartial benevolence, for the Fatherhood of God, and the brotherhood of man. We thank Thee that Thy love is infinitely broader and deeper than the measure of man's mind. In Thy holy name may all error give way and righteous truth survive. O help truth to absorb all the little meanings that we can give the word. Direct the citizens of our land and fortify them against all the threatened inroads of destructive materialism, of selfishness, of bigotry, and hold our country close to the great truths of our Christian faith. Through Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

CALL OF THE HOUSE

Mr. BEGG. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER pro tempore. The gentleman from Ohio makes the point of order that there is no quorum present. Evidently there is not.

Mr. LONGWORTH. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The SPEAKER pro tempore. The Doorkeeper will close the doors, the Sergeant at Arms will bring in absent Members, and the Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Abernethy	Elliott	Lyon	Schneider
Anderson	Fairfield	McClintic	Scott
Anthony	Favrot	McFadden	Sears, Fla.
Bacharach	Fish	McKenzie	Sears, Nebr.
Barkley	Freeman	McNulty	Sites
Bell	French	Magee, Pa.	Snell
Berger	Funk	Major, Ill.	Snyder
Black, N. Y.	Gallivan	Mansfield	Sproul, Ill.
Boylan	Garber	Mead	Stalker
Brand, Ohio	Garrett, Tex.	Merritt	Stengle
Britten	Geran	Michaelson	Strong, Pa.
Browne, N. J.	Gilbert	Miller, Ill.	Sullivan
Buckley	Glatfelter	Mills	Summers, Wash.
Burdick	Goldsborough	Mooney	Sweet
Burton	Graham, Pa.	Morin	Swoope
Butler	Greene, Mass.	Mudd	Taber
Byrnes, S. C.	Hardy	Murphy	Tague
Campbell	Harrison	Nelson, Wis.	Taylor, Colo.
Carew	Hoch	Newton, Mo.	Taylor, Tenn.
Clague	Howard, Okla.	O'Brien	Tincher
Clancy	Hull, Tenn.	O'Connell, N. Y.	Treadway
Clark, Fla.	Hull, William E.	O'Connor, La.	Tucker
Clarke, N. Y.	Humphreys	Oliver, N. Y.	Tydings
Cole, Ohio	Johnson, Ky.	Oliver, Ala.	Upshaw
Connery	Jost	Paige	Vare
Connolly, Pa.	Kahn	Park, Ga.	Vestal
Cook	Kearns	Phillips	Ward, N. C.
Corning	Keller	Porter	Ward, N. Y.
Cullen	Kelly	Quayle	Wason
Cummings	Kendall	Ransley	Weller
Curry	Kiess	Reece	Welsh
Davey	Kindred	Reed, W. Va.	Wilson, La.
Deal	Langley	Reid, Ill.	Wilson, Miss.
Dempsey	Leatherwood	Robinson	Winter
Dickinson, Iowa	Leavitt	Rogers, Mass.	Wood
Dickstein	Lehlbach	Rogers, N. H.	Wurzbach
Dominick	Lindsay	Romjue	Wyant
Doughton	Little	Rosenbloom	Yates
Drane	Logan	Schafer	Zihlman
Edmonds	Luce	Schall	

The SPEAKER. Two hundred and seventy-three Members have answered to their names, a quorum.

Mr. LONGWORTH. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The doors were opened.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Welch, one of its clerks, announced that the Senate had passed bills of the following titles, in which the concurrence of the House of Representatives was requested:

S. 2998. An act providing for a study regarding the equitable use of the waters of the Rio Grande below Fort Quitman, Tex., in cooperation with the United States of Mexico; and

S. 2572. An act to purchase grounds, erect and repair buildings for customhouses, offices, and warehouses in Porto Rico.

The message also announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7959) to provide adjusted compensation for veterans of the World War, and for other purposes.

SENATE BILLS REFERRED

Under clause 2 of Rule XXIV, Senate bills of the following titles were taken from the Speaker's table and referred to their appropriate committees, as indicated below:

S. 2998. An act providing for a study regarding the equitable use of the waters of the Rio Grande below Fort Quitman, Tex., in cooperation with the United States of Mexico; to the Committee on Irrigation and Reclamation.

S. 2572. An act to purchase grounds, erect and repair buildings for customhouses, offices, and warehouses in Porto Rico; to the Committee on Insular Affairs.

RAILROAD LEGISLATION

The SPEAKER. By special order of the House the gentleman from Indiana [Mr. SANDERS] is recognized to address the House for 30 minutes.

Mr. SANDERS of Indiana. Mr. Speaker, I ask unanimous consent to speak for 7 minutes in addition to the time I have been already granted.

The SPEAKER. The gentleman from Indiana asks unanimous consent that his time be extended for 7 minutes. Is there objection?

There was no objection.

Mr. SANDERS of Indiana. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. SANDERS of Indiana. Mr. Speaker, on Monday, May 5, an attempt will probably be made to carry a motion to discharge the Interstate and Foreign Commerce Committee from the consideration of the Barkley railroad labor bill.

Under the rule but 10 minutes on each side is permitted to enlighten the House as to the advisability of taking this drastic step. It is my purpose to discuss the merits of the Barkley bill in the hope of bringing to the House an appreciation of the magnitude of its importance. The bill is composed of eight complicated sections and covers 35 pages. Its far-reaching effect is not apparent on the face of the bill but becomes manifest when considered with knowledge of labor controversies which have arisen between railroad labor on the one hand and the carriers on the other, and also controversies within labor circles.

The membership of the House, if considering the bill reported with accompanying hearings, could obtain from the hearings the information needed for a thorough understanding of the bill. Since it is sought to bring this measure up when no hearings have been held, it seems to me that it is important to bring to the House such supplemental information as will make clear the purpose and effect of the Barkley bill.

This bill is announced by its authors as "Old successful law brought down to date." It was not prepared by Mr. BARKLEY, but was created in the manner indicated by the following statement of its sponsors:

> Preparatory work on the bill: Before presenting their ideas to Members of Congress, the railway labor organizations felt it their duty to work out their solution of this problem to present a united, constructive program, to attempt to solve their own problems, not to ask Congress to lead them paternally into the paths of good citizenship, but to show their readiness and ability to find these paths themselves. Although legislation of the character now under consideration has heretofore been opposed by the railway employees they are mindful of the general trend of public thought toward the railroad problem and, having regard for the situation and in their own self-interest, they are as a unit in support of the program contained in the Howell-Barkley bill.
>
> For 18 months they labored in committees and conferences to develop their program. During the last nine months they consulted with their attorneys in order to shape their ideas in accordance with sound legal precedents and to express them in appropriate and unmistakable language in order that the letter of the law might express its spirit.

The railroad labor question involves three parties—the employees, the carriers, and the public. It is exceedingly unfortunate that the House of Representatives will be called upon to decide, after a debate of 10 minutes on each side, whether it shall

act upon legislation which has required 18 months for one of the three parties to formulate. I say this because although there may be discussion in its further consideration by the House, yet every legislator of experience knows that it must be taken or rejected as it is. A bill of this magnitude can not be rewritten on the floor of the House.

This bill comes to the Congress with a divided support of the laborers who would be affected by the bill—the majority of the national organizations favoring it. It is the third drive made since the end of the war by certain railroad labor unions to induce the enactment of comprehensive legislation relating to transportation. The first drive was for the so-called McAdoo five-year plan for extended Government operation. This occurred during Government control of railroads, and after the advisability of terminating Federal control was being strongly urged. This drive failed. The overwhelming public sentiment brought about the termination of Federal control. The second drive was for the enactment of the Plumb plan, by which it was proposed to take over the roads by a Government corporation and to divide the profits of transportation between the employees on the one hand and the Government on the other. This effort failed. Its author, Mr. Glenn E. Plumb, a lawyer of great ability, devoted to the interests of the railroad employees, who were his clients, has since died. The chief sponsor of this legislation is the successor of Mr. Plumb, Mr. Donald R. Richberg.

I believe thoroughly in organized labor. It is not always in the right. Sometimes wrongful acts are done by some of its individual members, who number into the millions. But great good has been done by organization to better wages and working conditions. I am not in sympathy with those who criticize union-labor leaders for their activities in behalf of, or in opposition to, legislation affecting employees. They are aggressively looking after what they conceive to be their constituents' interests. All other great interests in the country pursue the same general course. The particular course in forcing this bill onto the floor of the House does not meet with my approval. But a measure coming from but one of a three-party interest, inspired by its councils, molded in its conferences, drafted finally by its lawyer, which it is proposed to put through by a direct appeal to the House over the head of the committee to which it has been referred, warrants extraordinary scrutiny regardless of which of the three parties in interest may be its sponsor. [Applause.]

The essential features of the Barkley bill are as follows:

First. It wipes off the statute books all existing legislation respecting railroad labor controversies.

Second. It undertakes to provide compulsory conferences between carriers and their employees under ironclad conditions which never before have been written in any law, and in the very nature of things can not be practically formulated into law.

Third. It creates equipartisan conference boards with a total personnel of 40 members, patterned in a general way after the plan of the railroad administration during the war, yet clothed with the formality and sanctity of a governmental tribunal, the individual members of which are each given far-reaching inquisitorial powers, with no actual power as to settlement of disputes. The boards are without jurisdiction to consider controversies as to amount of wages or what rules or working conditions shall govern.

Fourth. It creates a board of mediation and conciliation, which has no initiatory powers, and whose chief and only function is to urge the parties to conciliate their difficulties, and in event of failure to do so, to try to persuade them to arbitrate. If they agree to arbitrate the board does not arbitrate, but is given certain powers to assist in effecting the appointment of arbitration machinery and in securing for the arbitration boards the necessary witnesses and other evidence.

Fifth. It brings to the jurisdiction of the labor-controversy machinery many employees, carriers, and outside associations, which have not hitherto been under the jurisdiction of the Railroad Labor Board.

Sixth. By a carefully worked-out plan it intends to accomplish for the railroad employees the closed shop as a matter of law by excluding from representation on any of the adjustment boards any employees not nationally organized.

Seventh. It writes into law an artificial classification of employees which was made by the Interstate Commerce Commission solely for the classification of labor-cost data, supplemented by certain additional provisions, which classification will be binding upon the carriers but may be modified by the organizations. In the new proposed classification the effect of the administration of the law is intended to draw into the labor organization shop foremen and many other classes of employees who have hitherto not affiliated with such organizations, and which affiliation would have a tendency to destroy the proper discipline necessary for carrying on the transportation work.

Eighth. The public is absolutely excluded from representation in determination of wage controversies except in agreed cases of arbitration.

Ninth. The result of the wage controversy can not be made dependent upon the effect it would have upon the cost to the public for carriage of freight and passengers.

Tenth. The expense of the adjustment boards, which will be equipartisan in their nature and are meant to be simply a more or less formal continuation of the effort of the parties to agree, are to be borne by the Government and the appropriation of $500,000 for the first month or two is made. The expense, on a low estimate, would run to over a million dollars a year.

I do not know that we now have the most effective and just machinery for dealing with railway labor controversies which could be devised. I am quite inclined to think that the present method can be improved upon. But this bill would be immeasurably worse than no law on the subject and would demoralize the transportation system.

The railroad labor controversies have brought about the most difficult and trying situations which have confronted the Government. They have extended over a long period of time and have been particularly acute during the last quarter of a century, and the fact that everything is not harmonious now and that the arrangement does not meet with universal approval does not argue against the present method.

The Railroad Labor Board, created at the time of the passage of the transportation act of 1920, had a most unfortunate situation with which to deal. Railroad labor had been aggressively fighting against the passage of the transportation act of 1920. This had been carried to the extent of urging President Wilson to veto the entire law. On the day that President Wilson signed the transportation act of 1920 in a letter to the railroad labor unions the President said:

> I can not share the apprehension of yourselves and your constituents as to the provisions of the law concerning the labor board. I believe those provisions are not only appropriate in the interest of the public, which after all is principally composed of workers and their families, but will be found to be particularly in the interests of railroad employees as a class. * * * My hopes are that the putting into effect of these provisions of a carefully selected labor board, whose public representatives can be relied upon to be fair to labor and to appreciate the point of view of labor—that it is not longer to be considered as a mere commodity—will mark the beginning of a new era of better understanding between the railroad managements and their employees and will furnish additional safeguards to the just interests of railroad labor.

With their prejudice against the board, the employees were lukewarm about its success. Some of the carriers were disappointed in not securing antistrike legislation and hence were not enthusiastic about the Railroad Labor Board.

The first important decision of the Railroad Labor Board was issued July 20, 1920, and made retroactive, effective as of May 1, 1920, and increased the pay roll $650,000,000 annually. On July 1, 1921, the board made a reduction, taking off of that $650,000,000 about $448,000,000, leaving an increase in the annual pay roll of $202,000,000 in excess of that paid during the Government control of railroads. Since that time increases in pay to various classes of employees have been made by individual railroads in numerous instances. When it is remembered that the increase after January 1, 1918, during governmental control in the annual pay roll of employees amounted to $965,000,000, it can not be contended that the agencies of the Government during and after Federal control have been unmindful of needed increases in pay.

There seems to be an impression in some circles that railroad labor is much overpaid. I do not share that view. I think there are instances where certain classes of employees are paid more, according to the usual standard, in comparison with certain other classes of railroad employees, than is justified, but the comparatively small number of men who leave railroad employment in the usual course corroborates the opinion that as a class railroad labor is certainly not poorly paid.

My view of the situation is that the present Railroad Labor Board should not now be disturbed. More time should be given before even amending the present law.

It is urged against the present railroad labor law that many of the railroads refused to join the employees in creating boards of adjustment. The truth about the matter is that the national organized employees desired the formation of national boards

of adjustment copied after the plan carried on by the Railroad Administration. Many of the roads concluded that the formation of such adjustment boards was not wise because the boards of that type had a tendency to lose contact with the conditions of the particular locality where the disputes arose, and that such boards tended to make a national standardization of conditions without regard to difference in local situations. That the attendance upon conferences consumed unnecessary time and money, and that the existence of these boards invited appeals for slight alleged grievances.

However the present railway labor act did not require the boards of labor adjustment to be established but merely made them permissive, and required the Railroad Labor Board to assume original jurisdiction of the grievances where no adjustment board was provided. Many of the carriers have established boards of adjustment or other similar agencies, and the relations existing at the present are as harmonious as at any time for many years.

It is proposed by this bill to organize four national adjustment boards, two to be composed of 14 members each, and two of 6 members each. These boards are to have equal representation of employees and carriers. The appointment is to be made by the President, but he must select from the nominations made by the carriers and these different national labor organizations. The public is to have no representation and each board will be composed of an even number, and being equally divided in sentiment as between carriers and employees will, of course, deadlock on every important problem presented to them. Even if one side should happen to win one vote from the other side so as to have a majority, no decision of the board is binding. It is difficult to see how this cumbersome machinery, which is to be forced upon the carriers, would help in the amicable adjustment of the controversies over which the board is given jurisdiction. If a railroad company desired local adjustment of its troubles with its employees it could entirely ignore the action of any of these national adjustment boards. No power is given to the national adjustment board to enforce its decrees.

It is urged that the national adjustment boards were tried out by the Railroad Administration during the war. There is quite a sharp division of opinion as to the value of national adjustment boards during the war, and they certainly had their attendant evils as well as their good points.

But the argument that adjustment boards during Government control succeeded and that therefore they must succeed under private control is absolutely fallacious. The fallacy is apparent to anyone who will analyze and compare the two situations. The adjustment boards under Government control were the creations of the director general, who acted for the roads and had the power of approval or disapproval of every decision. He stood in the place of the carriers and could increase or decrease wages, and could discharge or retain employees. The carriers did not depend upon their revenues, but were paid a stipulated return by the Government irrespective of earnings. In other words, all of this machinery was his own, which he could control at will. Under private control, unless the adjustment boards act under the full sanction of both carriers and employees their work is fruitless and simply constitutes lost motion in the economic world.

Aside from the cumbersome, trouble-making, power-lacking method of adjustment, these proposed boards do not have jurisdiction over controversies in which the public has the greatest interest; namely, increase and decrease in pay and changes in rules and working conditions. That is the great affirmative harm done by the proposed destruction of the present machinery and the substitution of this new machinery. The things that caused the interruption of transportation and that affect freight rates are thrown back where they were, to be adjusted between the parties. The adjustment boards and the boards of mediation and conciliation have no power or authority to investigate a dispute involving these questions, and no machinery is provided by law for making such investigations except the lazy provision for the creation of an arbitration board in the event that the parties decide they desire to arbitrate.

If the evil in the Railroad Labor Board is lack of power to enforce its decrees, all of these instrumentalities have the same evil. If dissension was caused by the Railroad Labor Board because there were representatives of both the carriers and employees who took partisan rather than judicial views, then each of these boards of adjustment inherits the same evils. But the one power given the Railroad Labor Board of great value to the public—namely, the power to investigate labor disputes involving wages, irrespective of the desires of the parties thereto—is lost when the old law is destroyed and the new one created. We lose the one thing of value; we gain nothing in its place. It is a backward step which constitutes a strike-inviting situation.

This fight to retain some semblance of Government supervision as to labor costs which enter into the cost of transportation paid by the public overshadows any mere dispute between labor and railroad capital. It is a fight for the preservation of private operation of transportation. The labor charge constitutes 55 per cent of the entire cost of transportation. When it is remembered that in 1921 the net railway operating income was but $600,000,000, and that in that year the demand for increases was $1,100,000,000, instead of the $650,000,00 granted, it is easily seen that to have granted the full demand would have meant either increased freight rates or meant the destruction of private operation of the railroads.

The history of the settlement of the disputes under the Erdman and Newlands Acts discloses that there was not a single important arbitration where the decision rendered could adversely affect the employees as to the existing status at the time of the arbitration. In other words, the questions which the parties agreed to arbitrate were questions as to whether wages should be advanced or rules and working conditions should be modified in a beneficial way for employees. In notable instances they refused to arbitrate disputes where changes beneficial to them were demanded. The carriers likewise refused to arbitrate in other instances, particularly where their contentions for changes could not also be arbitrated. This proposed law, according to its author, aside from the boards of adjustment and for conferences between the parties, is a substantial reenactment of the Erdman Act and the Newlands amendment.

The boards of national adjustment are created by this proposed law for the purpose of considering complaints of the employees that the carriers have violated an existing contract.

The power in the carrier to interpret the contract by paying the amount of wages and enforcing the rule and working conditions according to its interpretation makes unnecessary the presentation by the carrier of any complaint or grievance against the employees. But the labor provisions of the act of 1920 assure hearings of such complaints or grievances by the employees through adjustment boards and the Labor Board on the one hand or the Labor Board originally on the other hand.

Notice the significance of the machinery here builded up. It is a machinery affording employees a place to litigate every grievance which they may have. It is a machinery which, in the very nature of things, would not be appealed to by the carrier. It is a machinery in which the public has no voice, and the Board of Mediation and Conciliation has for its function the attempt to get the carrier to change its interpretation of the contracts existing or to get employees to abandon their claims that violations have been made. The Board of Mediation and Conciliation may urge the employees and the carriers to arbitrate. But the machinery provided is substantially the same as provided in the Erdman and Newlands Act, and the employees, according to the history of those acts, would never submit to arbitration any question except the advancement of wages and a change in rules and working conditions beneficial to them.

Let us look into the detail organization of these governmental tribunals.

1. They are to be paid $7,000 each per year, which means an annual cost of $280,000.

2. The secretaries are to be paid $4,000 each, an annual cost of $16,000.

3. The five commissioners of mediation and conciliation are to be paid $12,000 each, an annual cost of $60,000, making a total of $356,000.

4. The boards may employ and fix the salaries for such employees as may be necessary. In other words, they determine not only the number of employees but how much they shall be paid (bill, p. 12).

5. Boards of arbitration brought into being may employ such assistants as they deem necessary and fix compensation.

6. The Board of Mediation and Conciliation employs and—

fixes the compensation of such attorneys, assistants, special experts, clerks, and other employees as it may from time to time find necessary for the performance of their duties.

I have never seen such a raid on the Public Treasury as is here proposed.

Look at the unusual powers given not the adjustment boards but the individual members. Two of them may conduct hearings; any one of them—

shall at any time for the purpose of examination require the production of or have access to and the right to copy any book account, record, paper, correspondence, or memoranda relating to any matter which the board is authorized to consider.

Anyone denying this inquisitorial power is subjected to a penalty of $500 per day. My friends, the difficulty about this measure is that it starts out to write into law what can not be written into law. It is based upon the theory of collective bargaining. I believe in collective bargaining, but you can not write it into law, because bargaining means a voluntary contract between two parties, and there is an attempt here to write into law the requirement that whenever an employee has a complaint against a carrier, the carrier must go and negotiate with him any place along the line in the way that the organization sees fit. The carrier is denied any right to deal with the employees with respect to choosing any of their representatives. It may be that the closed shop is a desirable thing. I am not going to discuss that, but you can not write it into law. It was never undertaken before. It may be that the one big union is a good thing. It may be that all employees of railroads ought to be in this union. I am not going to discuss that, but you can not write it into law. It is not susceptible of being written into law. The very nature of it forbids it.

My friends, this bill will work havoc with the private transportation in the United States. We have the very "era of better understanding between the railroad managements and their employees" predicted by President Wilson when he signed the transportation act of 1920. Shall we destroy all that has been accomplished because perfection is not found? The sponsors of this bill urged five-year Government control; they urged the Plumb plan; Mr. Richberg himself believes in Government ownership. I do not.

Our transportation system is in the best condition it has been in for many years. The roads are carrying a greater tonnage than ever before. The train service is good. Car service is good. The equipment is in fine repair. We ought not disturb this condition. The employees are entitled to more of the glory and credit for this than anyone else. But it has been brought about under the present law. Leave this tribunal created by the present law. After it has had further trial amend it where helpful amendments can be made. The Congress must represent the public interest. The carriers have their legislative representatives; the organized laborers have theirs. It is our peculiar function to represent the public and give the very best transportation service consistent with just and adequate pay and proper working conditions to the employees with tribunals for their relief on which the public has representation. In the long run, in defeating this motion to discharge this committee and preventing the enactment of this law, we will render a service to America that it is difficult to express in words. I wish these great economic principles had the appeal in them that some of the emotional questions like the soldier legislation has. I am sorry they do not, because the happiness and the prosperity of our people throughout the entire country, in every village and hamlet, on the farm and in the city, all depend upon taking the right course in these great fundamental economic questions. When you are called upon to act, if you act wrongly, you are doing the country a great injury, and if you act rightly and vote according to the principles of economic justice, you advance the happiness and the prosperity of all our people throughout all the land. (Applause.)

The SPEAKER. By special order of the House the gentleman from Massachusetts [Mr. WINSLOW] is given permission to address the House for 30 minutes. [Applause.]

Mr. WINSLOW. Mr. Speaker, I ask unanimous consent to revise and extend my remarks.

The SPEAKER. The gentleman from Massachusetts asks unanimous consent to revise and extend his remarks. Is there objection? [After a pause.] The Chair hears none.

Mr. WINSLOW. Mr. Speaker, I ask unanimous consent to continue for 10 extra minutes.

The SPEAKER. The gentleman from Massachusetts asks unanimous consent to speak for 10 extra minutes. Is there objection. [After a pause.] The Chair hears none.

Mr. WINSLOW. Mr. Speaker and Members of the House, some days ago the gentleman from Kentucky [Mr. BARKLEY] took out a petition, which he signed, for the purpose of discharging from the Committee on Interstate and Foreign Commerce a bill known as the Barkley bill, or the Howell-Barkley bill. The petition was properly signed; and we expect, on Monday next, May 5, that the petition for discharge will be taken up under the provision of the new discharge rule. It is not my purpose, after the very clear statement made by the gentleman from Indiana [Mr. SANDERS], to discuss the subject matter of the bill. I do, however, feel it is highly desirable that the Members of this House come to know as much as possible of the reasons why it may be unwise to withdraw the bill or to discharge the committee and for Members to get information which may help them in arriving at their conclusions. I voted against the discharge rule which made the discharge possible, and I did it because I foresaw, or thought I did, occasions which might arise under its provisions which would be very unfortunate and which might make the House regret its existence.

I was not alone in feeling that way among the members of our committee. In order that we may have the views of two persons, both members of the Interstate and Foreign Commerce Committee, on the merits of this proposed method of legislation, I ask permission to have read, in my time by the Clerk, some utterances of the gentleman from Kentucky [Mr. BARKLEY] when the consideration of this discharge rule was before the House, and, if it is quite in order, I would like to have marked portions of two pages of the CONGRESSIONAL RECORD read, and I wish to say, in order to forestall any query which may arise in anyone's mind, that I have not selected only parts of Mr. BARKLEY's utterances which would favor my contention, but have marked all that I thought bore on the subject at that time before us and such as will furnish information to the House.

The SPEAKER. The gentleman from Massachusetts asks unanimous consent that the Clerk read portions of Mr. BARKLEY's remarks. Is there objection? [After a pause.] The Chair hears none.

The Clerk read as follows:

In view of the position I take I desire to call attention to a few practical situations which we might as well face. I deny that any Member or every Member in this House has an inherent right to have every bill he introduces brought before the House for consideration. [Applause.] I have been here for 10 years, and I have in mind certain bills which have been introduced in every Congress, one or two of which have been referred to the Committee on Interstate and Foreign Commerce, of which I am a member. There is a widespread, well-organized, well-paid propaganda in behalf of these bills which have never been reported from that committee, which ought never to be reported from that committee, and never will be reported from that committee by my vote. [Applause.]

Yet there is sufficient organized propaganda behind them to induce 100 Members of this House to sign a petition to discharge the committee from further consideration and bring the bills onto the floor of this House, with a debate of 10 minutes on each side, and stampede the House into their enactment.

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Mr. BARKLEY. Mr. Speaker, the gentleman from Mississippi [Mr. QUIN] has referred to the Esch-Cummins law. Members who were here when that bill was enacted will recall that I not only voted against the bill, but I made the fight which was made on the floor of this House against its adoption, and I have never yet apologized for voting against it and for fighting that bill, and I have no apology to make now. I think now I was right just as I thought I was right at that time. The Esch-Cummins law ought to be amended. There ought to be railroad legislation enacted by this Congress, but is there a Member on either side who knows to a certainty what that legislation ought to be? There have been perhaps 25 or 30 popgun railroad bills introduced, and each one represents what the individual behind the particular measure thinks ought to be done, but in order to pass wise railroad legislation or any other legislation on a subject of such magnitude as that the committee to which that legislation is referred must consider it. It must consider it from every standpoint, not only from the standpoint of the effect it may have upon the properties involved but from the standpoint of the effect it may have upon the structure of railroad rates as regards the whole country. [Applause.] Yet under this proposition you can get 100 Members to sign a petition to discharge the Committee on Interstate and Foreign Commerce from any one or perhaps a dozen of these popgun bills, and pass the bill on a debate of 10 minutes, when the Members of the House know nothing whatever about the effect that it may have upon the country.

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Mr. BARKLEY. Oh, we might as well not assume any halo or a seraphic attitude here, simply because we are Members of the House. It is true that some may come here with a halo, but we lose it soon after we get here, and very few of us acquire one after we arrive. [Laughter and applause.] The gentleman knows how easy it is to get Members to sign petitions, and that is no reflection upon the membership of the House.

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Mr. BARKLEY. Oh, let us take a practical case. Suppose some Member of the House is interested in some particular pet measure of his own. He approaches another Member to induce him to sign a petition. It is easier to sign a petition and keep on good terms with the man who makes the request than it is to refuse and run the risk of offending him.

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Mr. BARKLEY. Certainly, gentlemen, it strikes me that we ought not to be stampeded here in behalf of a proposition that will open Pandora's box of trouble, no matter what party is in power.

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Mr. BARKLEY. Oh, nobody has said anything about dishonesty. I am talking about human nature as it is. I am in favor of some method by which committees that deliberately stifle meritorious legislation can be discharged, and I am not here arguing against any proposition to discharge a committee; but I have been here for 10 years, and I am not able to say that the United States of America is any worse off by reason of the fact that any committee has failed to report any particular measure to the House of Representatives. [Applause.]

One of the functions of a committee is to kill vicious legislation as well as to bring out meritorious measures. [Applause.] That is why I deny the fact that any Member or every Member has an inherent right to have every fool bill he drops into the box reported on by a committee and brought here for consideration.

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Mr. BARKLEY. That is not a legitimate conclusion from the argument that I have made. It is an illegitimate conclusion. If you say that every man who is a Member of the House who introduces a bill has an inherent right to have that bill brought up for consideration, then you ought to follow the legitimate conclusion of that and abolish all committees and make a calendar, according to the date of introduction of every bill, and let every man's bill be brought up and voted upon according to its priority of date. The business of committees is to investigate and sift and hold hearings and consider every angle of legislation and pass judgment through a majority of that committee upon meritorious propositions that may be before it, but if you make it possible for 100 Members by signing a petition to discharge a committee and bring up a measure here and pass it on a 10-minute debate, you are opening the doors to a world of half-baked laws. Of course, I agree that it takes a majority of the House to discharge the committee, but a majority of the House upon a proposition which has not been before it and which individual Members have had no opportunity to investigate can not reach a deliberate and mature judgment in 10 or 20 minutes' debate. [Applause.]

[Applause.]

Mr. WINSLOW. The bill that we will be asked to consider on Monday in one way or another seeks to abolish the present Labor Board and to establish in its place other organizations expensive and under very new and intricate provisions. I assume Members of the House would like to have some statement, if possible, in respect of the difficulties attending the work involved in this labor legislative undertaking. When the Esch-Cummins bill was under consideration November 12, 1919, in the course of remarks that I made as representing the committee, I went on record with respect of one particular view, and I ask the Clerk to read the statement in my time.

The SPEAKER. Without objection, the Clerk will read.

There was no objection.

The Clerk read as follows:

[Extract from CONGRESSIONAL RECORD of November 12, 1919, from speech by Mr. WINSLOW]

Now, the other subject that I want to talk about is the labor question. Intricate and troublesome as the financial proposition has been to everybody, both on the subcommittee and on the full committee, I am sure it has not tried the souls of the members as has this labor proposition. That was the subject entering into the discussion of every phase of the construction of this bill. We were never without it. Its shadow was over us from the beginning to the end. We referred to it from time to time, and finally got down to the point where we had to consider it specifically, and for four days and a half we worked on that labor problem, and I think every member was dreaming of it every night. We had all sorts of suggestions, all the wild-eyed schemes you could think of, every sort of ism and squism that you could imagine. [Laughter.]

Mr. WINSLOW. My view of the situation as affecting the practical necessities in connection with this bill now before us is quite the same as reflected in that quotation. I want to give you a little idea of the highly developed transportation act of 1920 for the purpose of showing the need of consideration. On June 2, 1919, the original Esch-Cummins bill was introduced, and for weeks and months, even two or three months, it was being worked on by our committee, and it was not shot in on us with a demand that we attend to it in half a day.

HISTORY OF DEVELOPMENT OF TRANSPORTATION ACT, 1920

(Sixty-sixth Congress)

June 2, 1919: Original Esch bill introduced (H. R. 4378).

July 15, 1919, to September 27, 1919: Hearings (mostly two sessions daily) before House committee. This period covers 72 days on which witnesses gave testimony. Thereafter a subcommittee studied this bill for about four weeks and reported back duly to the full committee, which in turn held a number of sessions on the bill, which was amended and reintroduced by Mr. Esch.

November 8, 1919: Reintroduced by Mr. Esch as H. R. 10453.

November 8, 1919: Ordered favorably reported as finally passed by the committee.

November 10, 1919: Report No. 456, by Mr. Esch.

November 11, 1919: Taken up under a rule, and discussion continued over the 11th, 12th, 13th, 14th, 15th, and 17th, including a night session on the 11th.

November 17, 1919: Passed House.

December 20, 1919: S. 3288 substituted and passed Senate.

December 20, 1919: Sent to conference. In conference daily, including holidays, to February 18.

February 18, 1920: Conference Report 650, by Mr. Esch.

February 21, 1920: Conference report passed House.

February 23, 1920: Passed Senate.

February 28, 1920: Approved, Public, No. 152.

Please note that the hearings before the Interstate and Foreign Commerce Committee furnished 3,600 pages of printed testimony. The amount of this testimony bearing on the labor features of the bill was upward of 1,200 pages.

The sessions of the House, devoted to the consideration of this bill, were eight. The CONGRESSIONAL RECORD of this period discloses the fact that about one-third of all the discussion on the bill was devoted to provisions affecting labor interests.

Now we are asked with 20 minutes' debate next Monday to make up our minds whether we will take it up or otherwise. If decided so to do we are expected thereafter to proceed according to the rule and debate the bill and pass it. We all know that that rule would never have been brought in here in good faith—I do not say it was brought in in bad faith, mind you—unless somebody connected with the development of that petition and so on had it in his mind that time could be saved and that the bill could be rushed on through the House. That somebody knew as we all know that testimony was of great importance, that hearings could not be given with expressions and views which we ought to have from people interested in such a vast subject, and that somebody knew that by force only could that bill be passed, and that is by the force of might, with explanation not to be made and information not to be desired. Now the query is whether or not we want to take up a bill of such moment as this under these circumstances. Mind you, I am not discussing the merits of the bill. Do we want to jump in here and say we will pass this bill in one or two days, or whatever the time may be, and that without any definite testimony on the subject?

It will uproot the time-honored principles of this House. If this were a matter of bringing in a petition on the side for putting up a monument to somebody somewhere, I would not then think much of it; but here is a bill more intricate than any bill that has ever been before the Committee on Interstate and Foreign Commerce. There are pitfalls in it and opportunities for doing things never before presented. There are opportunities to do things which even the framers of the bill never anticipated and never foresaw.

At any rate, on February 28, 1924, the gentleman from Kentucky [Mr. BARKLEY] introduced the bill H. R. 7358. On the same day the bill was referred to the Committee on Interstate and Foreign Commerce. That was next to the last day of the month, the 28th. On March 1, 1924, as soon as the mechanical operations could be complied with and executed, our committee, in accordance with custom, started inquiries, with requests for reports from departments in regard to the bill H. R. 7358, just as quickly as could have been done.

I must hurry on, and shall have time to touch only the high spots. On the 8th of March our committee began to consider procedure as to the future program of the committee with respect of the consideration of bills. We had a little discussion on the 8th of March and a little more on the 11th of March. Then we came to certain conclusions as to what we would do. On the 14th of March the committee voted to further consider and finish all bills on which hearings had been held and which might be ready for committee action. This work continued to and included March 25. We went on until the 26th of March attending meanwhile to various bills. Then the plan of the committee procedure was discussed and fixed in respect of certain defined bills, and arrangements were made for considering all transportation bills and other bills immediately following the conclusion of bills specified for immediate action.

The details of that meeting have all been explained by me to the House and can be found in the CONGRESSIONAL RECORD. You will see by reference to them that the committee was going

along in its orderly way, attending to these things in transit, so to speak, and attending to matters which we could take up and give attention.

On April 15, 1924, without notice to the Interstate and Foreign Commerce Committee, the gentleman from Kentucky [Mr. BARKLEY] a member of the committee, made a speech on the bill H. R. 7358, the Barkley bill, and forthwith filed a petition for the discharge of the committee in respect of H. R. 7358.

Three days later, on April 18, it was my fortune to be afforded an opportunity to make a statement in reference to the procedure of the committee and to set forth the facts in regard to the action of the committee with direct and indirect reference to the bill H. R. 7358, and to read records of the committee in explanation.

On the 21st of April a petition for the discharge of the committee, with sufficient number of signatures, was filed with the Clerk of the House of Representatives. And so we are brought up to date.

There have been many rumors and statements flying about, as usual when anything is under contention here, as to what the chairman of the committee has said, or what some member of the committee said, or what the committee did do, or did not do, or would do; but it is all common everyday bunk.

It is a sewing-circle representation, as it were, that we have around here, with some few malicious ones to pass on those rumors which they find take root and develop, but so far as I have uttered on previous occasions and now, I am giving you facts and only facts. Do not mind what the other fellow tells you. If you think of something you want to know about and you want to determine its accuracy, come to the captain's office and get the record. We want you to work on the facts. [Laughter.]

Now note, gentlemen: The Interstate Commerce Committee has never discussed the question of not taking up the Barkley bill, H. R. 7358, nor was the matter ever brought before the committee for such determination, all reports to the contrary notwithstanding, and the only conclusion ever reached in respect of this bill was in regard to taking it up at any definite date. It was never set aside except for the temporary convenience of the committee as affecting its orderly procedure. The only measures connected with transportation matters which were selected for definite action, apart from the great bulk of them, were the Cooper bill (H. R. 5836) and the Hoch resolution (H. J Res. 141). Upon these the committee held hearings and gave consideration as they themselves arranged.

The Cooper bill was indorsed by large railroads and short-line railroads and by representatives of the four great railroad brotherhoods. There was no objection offered to this bill, and the committee voted to report it out favorably.

Hearings have been held on the Hoch resolution (H. J. Res. 141), but as yet the committee has not reached a vote on the bill, although hearings and executive sessions appear to have come to an end. The Hoch resolution is a measure providing for a recreated or reconstructed rate structure, and the immediate cause for urging it was the insistency of agricultural interests, which felt and represented that there were elements in the present method of establishing rates which reacted to their disadvantage, and they wanted the rates to be remade; in deference to those interests the committee gave consideration to that measure. If you want to take the evidently popular course in the Congress of the United States, you might think that we were playing politics, but we were not. We were endeavoring to meet the call of the employees of the railroads, who wanted more locomotive inspectors, and so forth, in the interest of human life and limb, as under the Cooper bill, on the one hand, and to meet the cry for a new rate structure in the interest of the agricultural interests of the country on the other hand. It was not a stand-off or anything of the kind. These were two measures that appeared to provoke little contention, and we felt we could well pass them and get them out of the way and in operation in the interest of the two elements which I have mentioned.

The committee, at the time it determined on its procedure, on March 26, postponed the consideration of all remaining transportation matters filed to the number of 78. There were, however, many duplicates in number.

It was, at the same time, determined that after the bills scheduled for consideration had been disposed of all transportation bills would be forthwith considered with a view to selection, action, and so forth, and likewise it was arranged to go over the schedule of all other bills before the committee for the purpose of fixing a tentative or final plan of procedure.

I have attempted to explain to you what the committee's attitude has been toward taking up the Barkley bill or any other railroad bill save the Hoch matter. I have undertaken to tell you what took place in connection with the labor features involved in the transportation act, 1920, as indicating the need of time, of testimony, and of consideration.

I could go further if the time were sufficient to permit and show you that there is need of House hearings and that there is need of time on the ground that we have no competent report upon which we can fully depend. The subcommittee of the general committee of the Senate, which had the Howell-Barkley bill in charge, held five days' hearings, and those hearings were unexpectedly terminated. In the course of those hearings representations were made by witnesses which, in the light of developments since then, are shown to be incorrect. No chance for contention can be made on the floor of this House; no chance for rebuttal can be offered if we discuss this thing without testimony, and there will be no opportunity to correct any misstatements which may have been made there, but we will be obliged, if we are studious enough—and I hope we will be—to read the Senate proceedings. We will be obliged to take what is on that flat printed page with no opportunity to learn anything about the representations which were incorrect, and with no opportunity to have the thoroughgoing kind of an investigation which your committee of this House is in the habit of giving.

Mr. SCHAFER. Will the gentleman yield?

Mr. WINSLOW. How much time have I?

The SPEAKER. The gentleman has 11 minutes more.

Mr. WINSLOW. Then I yield.

Mr. SCHAFER. If there are statements in the hearings before the Senate which are incorrect can not the gentleman extend his remarks to correct the statements which he claims are incorrect for the benefit of the House?

Mr. WINSLOW. I might pick out one or two, but that would be fruitless. If we had hearings or if we could get up here on the floor with unlimited time to answer any misstatements that might appear in those hearings that could be done and I would be mighty glad to do it, but it is manifestly impossible to do it now, and I do not think it would serve any good purpose to extend them in the form of suggestions.

Mr. WEFALD. Will the gentleman yield?

Mr. WINSLOW. Just this once and this is the last time.

Mr. WEFALD. I am one of those who want to have light upon this subject. I would like to know how much time the committee would require for the proper consideration of this bill.

Mr. WINSLOW. The gentleman is asking a perfectly fair question in good faith. I realize that. We have before our committee now bills relating to truth in fabrics and merchandizing, and about once a day some member of the committee asks the chairman how much longer we are going to take on those questions, and the chairman says, in effect, but not using the impolite word I shall now use, "Chestnut," and chestnut means this: I have such questions asked of me every day, and when I was young at the job I undertook to say how long it would take, but as I get older and find myself surrounded by 17 lawyers out of 21 members, I say to them, "God only knows; it depends on when you fellows get through asking questions." [Laughter and applause.]

Mr. WEFALD. I ask this question for the reason that we were told how long it took the committee to consider the Esch-Cummins bill, and I was thinking that since that did not turn out to be a good law possibly this would take a much longer time.

Mr. WINSLOW. I think the gentleman's thought is probably right. It may have been that if we had taken a year to consider that bill we would have gotten a better one, but still I believe it would have been full of holes in spite of the best we could do. If we should turn loose the proponents and opponents on this bill in hearings, I think the committee, if it did its duty strictly, might be until next September on hearings.

Mr. WEFALD. I am glad to get the mental attitude of the chairman of the committee.

Mr. WINSLOW. I always want to tell you what I think if I think I know.

We now come to the last ditch, not of defense, but in the way of overcoming the lack of wisdom shown in picking this bill up and carrying it through as is proposed. I have no ill will against the men who signed the petition. We have not had the other fellow's point of view. We do not know what the labor men themselves expect. They say they want the Barkley bill passed, but that is no argument in itself to influence a committee.

About every letter we have for or against it is based on the statement, "We want it and we want you to put it through," or "We do not want it and we do not want you to put it through." Under such circumstances, how can you expect an intelligent man to arrive at any conclusion merely from hearing

fellows say what they want or what they do not want, if they do not tell him why? It is the why we are after. [Applause.]

Now, if there is any man here who can reconcile his intelligence, can reconcile the dictates of his conscience, can reconcile himself to the provisions of the oath he has taken, and can agree to be a part and parcel of an attempt to rush through a bill like this, I say to him, "May God have mercy on your soul." I do not believe there is a man as an individual who is willing to do it. I do not believe there is a Member of this House who, in the days of his sanity, would ever say that he could take a bill like the Barkley bill and read it and understand it in one, two, or three days. I do not believe there is a man here who would ever stake his life or his reputation outside of this Congress—outside of the bunch which may go with him—on voting on this bill and determining the results of it in a single day or two days or three days. If you are willing to give the bill only House consideration, as is proposed, do so if you will, and so let the country know that a group of people representing organizations of any kind are in a position to come to us and say, in effect, "You do what we want when we want it." I was told when the rule providing for a consideration such as we will have next Monday was up for consideration and adoption that our committee would be the first one that would feel the strain, because there was a frame up to take from us a certain bill that would one day come before us.

I did not believe it then. I hate to believe it now; but when I hark back to the utterance of a member of our committee who followed me on the floor a few days ago and said that this situation was well known and that the brotherhoods, or those who are back of the Barkley bill, had looked over the personnel of our committee and taken their number—this is the substance and not an accurate quotation—had expected to have it brought up on the floor of the House. If that does not substantiate the rumor which came to me that there was a frame up going on I do not know what would.

We have had it said by others that the brotherhoods back of this were bound to put it through and put it through now. I have been told so by their friends. If such is a fact, I think it is time in this Republic of ours for the legislative branch to have a straight up-and-down showdown [applause], not on the merits of brotherhoods; I have no fight with them at all; not on the principle of unionism, there is much good in it, and more could be had; not in defense of capital or any other agency, but for the purpose of deciding who is who in running the legislative business of "Uncle Sam." Have we come to a point in the life of the Congress of the United States when any organized body or bodies outside can come to us and by the force of its might, whatever it is, say, "We do not care about your rules; we do not care about your precedents; we do not care about the history of orderly procedure; we can get bills out of your committee any old time. We do not like the members on the committee on so-and-so. We can bring our bills up directly on the floor of the House, because we can run the Congress and we can make the Members vote our way."

Whether the bill involved is this bill or any other bill, for my part I would resent such outside influence or use of power. I would resent it if every association of mine in the world were tied up in such an undertaking. We want to make this Congress good for something. We are being attacked and bullyragged all over this land for being a bunch of no-goods, and if anything on earth will prove it, it will be the adoption of the proposed plan of procedure for next Monday. [Prolonger applause.]

The SPEAKER. The gentleman from Missouri [Mr. HAWES] is recognized for 30 minutes. [Applause.]

Mr. HAWES. Mr. Speaker and gentlemen of the House, I have not, in private or in public, expressed an opinion upon the merits of the Barkley bill.

It is my intention not even to form a fixed opinion upon this bill prior to a hearing at which both sides will be heard.

I believe in the principle of mediation, conciliation, and arbitration.

But I withhold an opinion upon the matter of the official machinery by which they are to be operated.

Very painful experience has taught me the danger of committing myself in advance upon a controversial subject.

Frequently, prior to hearings and examinations, I have had strong feelings of opposition to or commendation for a measure, and hearings and testimony have changed these premature opinions.

I voted in the committee to take up the Barkley bill for consideration and will do so again and with entire confidence that the committee will order this to be done when it has disposed of some important bills introduced long prior to the Barkley bill.

If the committee, because of opposition to the Barkley bill, should refuse such hearings, I would join with other Members of the House in ordering a hearing and report.

It is not my contention that the petition for discharge should not be used in emergencies or in aggravated cases where a committee wrongfully refuses to hear a bill or attempts to smother its consideration.

I voted for the rule, believing it was a weapon to be used in extraordinary cases for the correction of abuses and to take from a committee a bill which it refused to consider or report.

This is not the case with this bill. The committee has not refused to consider the bill or been guilty of the charge of suppression. [Applause.]

I shall not discuss the Barkley bill. I shall not appeal to the House on questions of parliamentary law, but for a greater rule, the highest rule of all, the rule of common sense, and a second rule, the rule of fair play.

Next Monday the House for the first time will have under consideration the operation of an entirely new rule, upon which the debate will be limited to a total of 20 minutes, allowing but 10 minutes' discussion for those Members advocating and opposing the exercise of this rule.

It is proposed to withdraw from the Committee on Interstate and Foreign Commerce a bill introduced by the gentleman from Kentucky [Mr. BARKLEY] on February 28, to bring this bill before the House without hearing or consideration by any committee of the House; and thus, without investigation, without hearing, without affording either the friends or the opponents of the bill an expression of opinion, it is proposed for the first time in the legislative history of the House since its creation—in violation of all precedent, in violation of the theory of the right of petition—to take up for consideration and passage a measure which it has been stated it took 18 months to prepare and which contains 35 pages of printed matter.

The matter resolves itself into questions of fact.

I voted in the committee to take up the Barkley bill for discussion, and I voted for the rule of 150 by which in an emergency, where a committee wrongfully withheld consideration or suppresses consideration or wrongfully delayed consideration of a bill, the House might order that committee to report, but it never occurred to me that this Congress would proceed to discuss a bill upon which there had been no hearings and upon which both sides of the question had not been heard.

Gentlemen have referred to the hearings in the Senate. The hearings in the Senate on this subject were before a subcommittee. The hearings lasted six days. The hearings were not complete and were not concluded, but if they had lasted for six months I can not recognize the principle that the Senate will do investigating for the House and make reports for the House, and that the House exercising its function should be bound by the findings of the other body. [Applause.]

The motion for the discharge of the Committee on Interstate and Foreign Commerce was made during my absence from the House on sick leave; but since my return, in conversation with Members, I have formed the impression that many would not have signed the petition had they known the facts, and that others signed the petition because the real facts of the conduct of the committee had not been properly presented to them.

Mr. LINEBERGER. Will the gentleman yield right there?

Mr. HAWES. Yes.

Mr. LINEBERGER. Can the gentleman conceive of a Member signing the petition for the purpose of bringing out the facts?

Mr. HAWES. No, sir; not when there is only 10 minutes allowed for debate.

Mr. LINEBERGER. How are the facts to be ascertained, except by some action such as has taken place here, when explanation is made of the merits of the case such as the gentleman is now making?

Mr. HAWES. A gentleman can ask for time on the floor of this House, complain about the conduct of a committee, make his statement to the House instead of in the lobbies and in the cloakrooms and in the corners.

Mr. LINEBERGER. Would the gentleman now be on his feet making the explanation he is making, and making very ably, had this petition not been signed?

Mr. HAWES. No.

Mr. LINEBERGER. That is the point I asked the gentleman about. Could he conceive of a Member signing this petition with the object of getting such explanations as he and other Members of the committee have presented to the House this morning?

Mr. HAWES. I can conceive that there may be Members of the House who signed that petition for that purpose, and if they did, each man who signed it for that purpose performed a real service to the House.

Mr. LINEBERGER. I will say to the gentleman I signed the petition and that was the particular object which I had in view—getting information, and I find I am getting it, and I think it was because of that petition that we are now getting the information.

Mr. HAWES. My appeal to this House is not in relation to the Barkley bill. It is to look before you leap and to think before you act in a matter of this kind.

The matter that concerns me is the proper investigation of facts by committees. It may be well to consider the general subject of committee investigation and the right of public hearing before we reach this particular subject; and it may interest the House to know that at the present time it has before it for consideration 9,008 bills, and on the Senate side 3,208 bills, a total of 12,216 bills introduced at this session of Congress. In addition to these bills the House has before it for consideration 892 resolutions, making a total of 13,000 measures to be considered.

There are 435 men in the House and 96 in the Senate, a total of 531 Members in Congress. This makes an average of 25 bills to each one of the Members. Some Member of Congress, some influence somewhere, must support each one of these bills and each of these resolutions. They did not drop upon the Speaker's desk by accident. Some Member thought there was some merit in each one of these bills, and yet from that vast number of 13,000 bills one alone is selected and brought on the floor of this House to be passed without hearings. It is to be promoted above every other bill and every other resolution in the House.

It has been insinuated that the reason this was done was because the committee refused to consider this bill. I deny the truth of that statement.

The Committee on Interstate and Foreign Commerce did not refuse to consider the Barkley bill, and I believe there are men in this House who signed this petition because they were told that this committee did refuse to consider it.

We know it is physically and mentally impossible for men in this House to consider all these 13,000 bills, or even a small portion of them.

So we find that in order to expedite the business of a legislative body measures are first referred to committees for consideration and report; and this custom is not purely an American institution—it is practiced throughout the world.

Not only in England but in France, in the Chamber of Deputies, committees function in a manner similar to our own. This is true in Italy, Belgium, Holland, and Switzerland.

It is the accepted method in the legislature of each of our 48 States. In all our great cities controlled by municipal assemblies the greater portion of the work of legislation is first done by standing committees.

Not only is this the custom of State legislatures but a number of States—Pennsylvania, Alabama, Texas, Missouri, Colorado, Louisiana, Wyoming, Kentucky, and other States—require the submission and consideration of a bill by a committee prior to its passage by the legislature.

It has been found to be an indispensable essential for proper and intelligent legislation.

The First Congress began with two committees—one on enrolled bills and a House Committee on Elections. It was then the custom to do work by what was called select committees, especially selected for a special purpose. This number grew until the Third Congress, when there were 350 such committees.

This system did not last long. It proved unsatisfactory, a waste of time, and provoked endless discussion as to who should be made members of these select committees.

From the Third Congress with 350 select committees they had been reduced by the years 1813–1815 to 70 committees, and 20 years later this had been again reduced by one-half.

During this period the number of standing and permanent committees in the House had been increased from 2 to 60 and in the Senate to more than 70.

Speaking of the work of committees to investigate, digest, and arrange details of complicated subjects, Calhoun, in 1812, said:

> The House may more easily comprehend the whole, the reason for this being that this body is too large for either of these operations and therefore a reference is made to smaller ones.

I call the attention of my colleague from Kentucky to two quotations made by a Member of this House, Mr. LUCE, in his learned and able work on Legislative Procedure, where he quotes two Kentuckians on this subject:

> Hardin, of Kentucky, in January, 1816, greatly regretted to observe in the House "an unconquerable indisposition to alter, change, or modify anything reported by any of the standing committees." Three weeks later Taul, of Kentucky, confessed he distrusted his own judgment when it differed from that of any of the standing committees. "The members composing these committees," he said, "are selected for their capacity and particular knowledge of the business to be referred to them. These selections have been judiciously made. The standing committees have a double responsibility on them. Hence it is presumed that every measure, before it is reported to the House, undergoes a very nice scrutiny. Those committees have deservedly great weight in the investigation and decision of such questions as may have come before and been decided by them."

I call the attention of my colleague from Alabama to this statement in the same work:

> Then Alabama, in 1901, stiffened its provision into: "No bill shall become a law until it shall have been referred to a standing committee of each House, acted upon by such committee in session, and returned therefrom, which fact shall affirmatively appear upon the Journal of each House." Notice that the reference is to a "standing committee." Here was official and formal discord of the special or select committee system.

It would seem that in the first place all great legislative bodies throughout the world, whether of national or local importance, employ the agencies of committees for examination, hearings, and reports; and, secondly, the appointment of special committees for the consideration of subjects has been superseded by the creation of regular standing committees with a specified jurisdiction.

To-day we find this Congress has over 60 standing committees.

Sufficient has been said to show that legislative bodies can not properly function without the assistance of committees.

HEARINGS BEFORE COMMITTEES

In this country it is the universal custom to hear both sides of a question presented to a committee, and this is the rule in England, where it has been held:

> Where it is held that though the public interest should be paramount, yet public interest ought to be subserved with the least possible injury to private interest, and for this reason private interest endangered ought to be heard.

Mr. CONNALLY of Texas. Will the gentleman yield?

Mr. HAWES. I yield.

Mr. CONNALLY of Texas. The gentleman said he voted in committee to take up the bill and that the committee had not refused to take it up. Did the committee take it up?

Mr. HAWES. I propose after I develop my subject to make a statement of that matter with all the details, and then I would be glad to have gentlemen ask questions.

Members who desire to take this bill from the proper committee without a hearing, before the House, leaving the impression that a hearing was refused, seem now to have some fear of a proper hearing. They want to rest their case upon a partial hearing made in the Senate by a subcommittee of the Senate. They will attempt to tell this House that hearings have been held. I deny that statement. No complete hearings on this bill have been held either in the House or in the Senate.

Mr. BURTNESS. Will the gentleman yield?

Mr. HAWES. I will.

Mr. BURTNESS. Upon these hearings which have been held in the Senate by the subcommittee, has any report ever been made by the subcommittee to the full committee?

Mr. HAWES. I understand that no report has been made by the subcommittee of the Senate to the whole committee of the Senate and the Senate committee has not reported on this subject.

Mr. BURTNESS. The subcommittee of the Senate has not held hearings sufficient for it to make a recommendation to its own committee.

Mr. HAWES. The gentleman from North Dakota is right.

Mr. KUNZ. Will the gentleman yield?

Mr. HAWES. Yes.

Mr. KUNZ. In reference to the gentleman's statement that he voted in committee to take the bill up and the statement from the gentleman from Massachusetts [Mr. WINSLOW] that he voted in opposition, I would like to know and I think the membership of the House would like to know whether that vote was taken before or after the petition was presented for the discharge of the committee from consideration of the bill.

Mr. HAWES. If the gentleman will please permit me to proceed, I propose to answer that matter in detail after further developing this subject. It seems to me this is not a matter of the Barkley bill. It is a plain question of whether a great committee of this House, composed of 21 men from 20 States in the Union, shall be practically indicted before the American people for doing something of which they are not guilty.

The primary purpose of a hearing is to secure information, and certainly it has been the custom of the committee of which I am a member to hear both sides of every question and where the matter affects a Government agency or a Government function to call before the committee officials from that branch of the Government, so that frequently three different points of view are ascertained by a committee.

Not to seek information on a bill would involve a breach of faith to the House, and the committee is justified frequently even in calling before it disinterested experts. What a committee should really seek is not so much an expression of opinion, which is usually biased by the inclination of a witness, as it is an ascertainment of the facts.

The SPEAKER. The time of the gentleman from Missouri has expired.

Mr. HAWES. Mr. Speaker, I ask unanimous consent to conclude my remarks, which I shall make as brief as possible. I have been interrupted and have not really arrived at the heart of the subject because of interruptions.

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that the gentleman may be permitted to proceed for 20 minutes more.

The SPEAKER. Is there objection?

There was no objection.

Mr. SHALLENBERGER. Mr. Speaker, if the gentleman will permit, I hope he will explain in those 20 minutes how he could vote for the consideration of the bill and then say that the committee had not refused to consider the bill.

Mr. HAWES. I expect to go into that in detail. The State of Wisconsin considers the hearings by committees of grave importance. The State of Alabama, from which my friend HUDDLESTON comes, does the same thing, as does the State of Kentucky, from which the author of this bill comes.

So important does the State of Wisconsin consider the matter of committee hearings that it has provided by law that each committee is to keep a record in which is to be entered—

First. The time and place of each hearing and each meeting.

Second. The attendance of committee members.

Third. The name of each person appearing before the committee, and of the person, firm, or corporation in whose behalf such appearance is made.

Fourth. The vote of each member on all motions, bills, resolutions, and amendments.

Mr. SCHAFER. Mr. Speaker, will the gentleman yield?

Mr. HAWES. Yes.

Mr. SCHAFER. Does not the State of Wisconsin also provide that the legislature can take up for consideration and passage bills and resolutions without committee hearings?

Mr. HAWES. I do not know of any such law. It is not the usual custom in States unless the committee has abused its privilege.

Mr. SCHAFER. Well, it does.

Mr. HAWES. The element of time is considered by legislatures, and even in the short period of the life of a legislature—from 60 to 90 days—a committee is allowed a reasonable time for the consideration of a bill, and due consideration is given to the business of that committee and to what its docket contains.

Every man in this House knows that some of the work of the House is done in committees and that the big questions require long consideration. The language of bills has to be changed, various conflicting interests considered, conciliation effected, all of which requires reasonable time; and most of the men in this House, I believe, will agree that it is impossible for the House to do this as successfully and as minutely as it can be done by committees.

When a committee has finished its hearings, they are printed for the benefit of all the Members of the House. This is followed by a majority and minority report, to be reviewed by each Member of the House. Time is given each Member to read these hearings and to study the reports.

If the House takes up the Barkley bill, it will be denied this opportunity for study and denied the benefit of hearings, all of which would help in debates and discussions upon the floor of the House.

None of our legislative machinery is perfect, and perfection has not been attained in the matter of committee hearings; but it is the usually accepted method of procedure, and no better plan has yet been devised.

For Congress to attempt to abandon this method would make perpetual sessions necessary and so clog the legislative machinery that little or nothing would be accomplished. Instead of speeding up the work of Congress it would delay and retard it.

In the case of the Barkley bill the House will not receive a report from the committee, nor has the House demanded a report from the committee. If the House had demanded a report, it would present another subject. That is not the subject we have before us. It is a matter of taking up a bill that has not been considered and which is to be given priority over 9,000 different bills in this House. The whole House has the benefit of a committee hearing. Copies of the hearings are printed for the benefit of the Members of the House. A majority report is filed, as is also a minority report, so that before a measure comes to the House for consideration on the floor every one of its Members has an opportunity to know everything the committee knew or that was stated before the committee. It is now proposed to bring before the House a bill introduced as late as February 28 without such hearing and without a report.

Just a few words about the work of the Interstate and Foreign Commerce Committee.

I believe the records will show that it meets more frequently than any other committee in the House. Questions come before it, dealing as they do with regulation and proposed extended regulation of all forms of business under the interstate commerce clause of the Constitution, requiring nice judgment in questions of law.

They are not matters to be gone over hastily, as they involve enormous sums in invested capital and diversified functions of government.

An honest criticism of the work of this committee would be not that it does not do enough work but that it has too much work to do.

This committee keeps regular minutes, including records of attendance, and in addition to the amount of time consumed in hearings I am quite satisfied that a great many members devote considerable time in the evenings and on holidays to investigation of the many legal points that arise.

I have taken the liberty of calling the attention of the House to these matters because I believe they are facts worthy of your very thoughtful consideration, and I am under the impression that Members of the House have been given some erroneous impressions regarding the conduct of this committee and the manner and volume of the work it performs.

Mr. Speaker Clark said the Interstate and Foreign Commerce Committee is one of the great committees. It has the broadest jurisdiction of any committee in the House. It deals with more diversified subjects than any other committee; this will not be disputed. Its history runs back to 1795. Its jurisdiction is as broad as the constitutional provision which reads:

> Congress shall have power to regulate commerce with foreign nations and among the several States and with the Indian tribes.

There are before our committee to-day a large number of bills. The committee now has before it 174 bills, according to a statement given to me by the clerk of the committee. Those bills refer to agriculture, aeronautics, bridges, bridge surveys, blue sky laws, coal, Coast Guard, commerce, contracts, Federal Trade Commission, Public Health Service, firearms, films, all of the Lighthouse Service, hospitals, health, maternity, canal bills, all navigable streams, the Panama Canal, quarantine stations, railroads, the interstate commerce act, the transportation act, topographical survey, trading with the enemy act, and a variety of other subjects.

It had before it for consideration 276 bills before the Barkley bill was introduced into the House. I assume that back of each one of these bills there were men who thought they were of great importance, or they would not have introduced them. Back of each of these bills was something of merit. Some sentiment caused their introduction, and just because the committee delayed its program on one special bill which followed the introduction of 274 bills, demand is made that the House shall push aside and postpone hearing on all other bills and put this bill upon passage without hearing by any committee.

Mr. LONGWORTH. Mr. Speaker, will the gentleman yield?

Mr. HAWES. Yes.

Mr. LONGWORTH. The gentleman a moment ago alluded to the fact that upon the motion to discharge the committee from consideration of the bill there is allowed but 20 minutes

for debate. Will the gentleman add that on the motion to follow that, to consider the bill at once, no debate whatever is allowed?

Mr. HAWES. That is my understanding.

Mr. CRISP. But should the House decide to consider it, then it would be considered under the general rules of the House, subject to unlimited debate and amendment.

Mr. LONGWORTH. Precisely; but it would be immediately in order to move to go into the Committee of the Whole House on the state of the Union for the consideration of the bill.

Mr. HAWES. Mr. Speaker, the gentleman from Texas [Mr. CONNALLY] propounded a pertinent inquiry, and the gentleman from Illinois [Mr. KUNZ] made the same inquiry. I now direct attention to facts which, I submit, will not be disputed by members of the committee. With 276 bills before that committee, informal discussion was held as to which bills should be first considered. That informal discussion decided that bills affecting the navigation of rivers, small bills, and bills that had been held over from the last session of Congress should be given first consideration as being greater in number and being more quickly disposed of. The committee gave some preference to a bill relating to transportation in the Mississippi Valley, a measure that is of vital interest to all of the Mississippi Valley States—not to a small group but of interest to a group that feeds America, mighty sovereign States, and finally there came the 26th day of March, a period less than one month after the introduction of the Barkley bill.

The committee then decided what bill should at that time be given immediate priority, and that is the only question they did decide. Amongst those bills to which they gave preference over the Barkley bill was a bill of great interest to union labor, introduced by the gentleman from Ohio [Mr. COOPER], involving the expenditure of $200,000 for additional inspectors. Another bill was given the next place in order, a bill proposed by the gentleman from Kansas [Mr. HOCH] that goes to the vitals of the transportation question, a bill demanded by the great agricultural interests of our country, and on a vote the committee gave the Cooper bill prior consideration, and on the next vote of the committee the Hoch bill, relating to the survey of railroad rates, was given second consideration, and then it was that the gentleman from Kentucky [Mr. BARKLEY] moved that the Barkley bill be placed next on this program for immediate consideration, and I voted for its consideration, but the committee in its judgment decided that as it had bills from that committee since last session it could be temporarily laid aside. Then I made the motion in answer to requests made upon me by representatives of agricultural interests that bills relating to truth in fabric and misbranding be given consideration, and the committee then made that bill the third in order, but at no time or upon no occasion did the committee ever refuse to take up the Barkley bill, and it is my impression that if it is called up the committee will vote for its consideration. What the committee did do was to hold the Barkley bill for later consideration.

Mr. LONGWORTH. Will the gentleman yield?

Mr. HAWES. I will.

Mr. LONGWORTH. It seems to me I recall in the last Congress the committee was quite severely criticized for not having given consideration to the truth in fabric bill.

Mr. HAWES. Mr. LONGWORTH, there are 12 bills introduced by 12 Members relating to said subjects, introduced two and three years ago, two years before anyone ever heard of the Barkley bill.

Mr. BURTNESS. Will the gentleman yield further?

Mr. HAWES. I will.

Mr. BURTNESS. The truth in fabric bill which is now being considered by the committee, as well as most of the misbranding bills which are being considered, were introduced on the very first day of this session of Congress.

Mr. HAWES. Not only on the first day of this Congress, but they were introduced in the last session of Congress.

Mr. BURTNESS. Is it not also a fact that the Committee on Interstate and Foreign Commerce has met for five or six days of every single week since it was possible to organize the committee, in the first part of January?

Mr. HAWES. This committee in the last session of Congress handled 395 bills. It had hearings on 27 different subjects. It occupied 130 days in those hearings. It had 18 days in executive session on bills, and there is no other committee of this House that has that record. It has held hearings this year on 12 different subjects, occupying 46 days. It had 24 executive meetings, and it has three or four subcommittees at work now on different subjects. We have a vast number of bills that relate to the railroad problem, the greatest problem before this country; but those railroad bills, my friends, are connected—they are related subjects—and I, for one, am ready to commence their consideration to-morrow; but when their consideration is undertaken, this House must understand that when that order is given all other legislation before that committee ceases, because it would be a physical and mental impossibility for the committee to consider anything else but railroad bills. So the committee has been trying to put out some of these other bills.

Mr. SHALLENBERGER. Will the gentleman yield?

Mr. HAWES. I will.

Mr. SHALLENBERGER. I understood from the gentleman's statement, and I agree with it, that we came to a position in the committee where a motion was made by the gentleman from Kentucky to take up the consideration of his bill after the consideration of these other bills had been disposed of, and the gentleman from Missouri made a motion as a substitute to take up before the Barkley bill these so-called misbranding bills, and that is what we are operating under now; is that right?

Mr. HAWES. The gentleman is not quite right. A motion was made after the Hoch bill that the Barkley bill be taken up, and I voted for that motion. Then the committee having voted down that motion I moved that the truth in fabric bill be given first consideraion.

Mr. SHALLENBERGER. So the committee did vote down the consideration of the Barkley bill?

Mr. HAWES. Not permanently, but only as to immediate consideration.

Mr. SHALLENBERGER. And that raises a question of whether or not we have taken up a bill of sufficient importance to warrant the attention of that great committee. We have 12 bills dealing with misbranding possibly before the committee. How many hearings have we had on those bills?

Mr. HAWES. I have been away.

Mr. SHALLENBERGER. How many of those hearings has the gentleman attended upon the bill?

Mr. HAWES. That I could not tell the gentleman.

Mr. SHALLENBERGER. How many members of the committee attend those hearings on a bill of such importance as to put aside the consideration of this bill now? I will state as a matter of fact that we can not get a quorum on that bill, and the time of the committee in my judgment if we adjourn in June will be easily taken up in the consideration of those 12 bills for which the consideration of this bill was set aside.

The SPEAKER. The time of the gentleman has again expired.

Mr. HAWES. Mr. Speaker, I must have a little more time. If I refuse to answer questions, it creates an appearance of unfairness.

Mr. SANDERS of Indiana. Mr. Speaker, I ask unanimous consent that the gentleman may have, how much time?

Mr. HAWES. Ten minutes.

Mr. SANDERS of Indiana. May have 10 minutes.

The SPEAKER. The gentleman from Indiana asks unanimous consent that the gentleman from Missouri may have 10 additional minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. HAWES. The new rule was intended to take a bill from a negligent committee, or a bill that was suppressed by a committee, or a bill that was unjustly or improperly held without hearings before a committee.

Each Member of this House should know whether there are any facts back of the present movement in relation to this bill justifying such course.

Two hundred and seventy-six bills were referred to this committee prior to the introduction of the Barkley bill, which was not done until the 28th day of February.

On the 26th of March, just a month later, Mr. BARKLEY moved to take up and give precedence to his bill over all the 276 bills then before the committee and which had been introduced prior to his bill. That is to say, bills representing the wishes of or prepared by 276 Members of this House were to be set aside for this one bill.

When his motion was made to take up this bill, I was one of those who voted for the consideration.

I am informed that Members of this House have been told that the committee voted not to consider the Barkley bill.

I desire to protest against such a statement because it is untrue and not in keeping with the facts.

The committee was trying to arrange a tentative program of procedure.

Mr. COOPER of Ohio had a bill of special interest to labor, involving the expenditure of $200,000 by increasing the number of inspectors for locomotives. The committee voted to

give this bill consideration after it had disposed of some unfinished work before it.

It then took up the Hoch bill, an amendment to the interstate commerce law, which provides for a survey of the entire rate structure, with the view of making such adjustments as are necessary, and placed that bill upon its program for second consideration.

Mr. BARKLEY moved that the Barkley bill should follow the Hoch bill, but the committee decided to delay consideration of this bill until such time as it could be taken up in connection with other bills relating to the railroad question, of which it seemed to be part, involving some 78 bills of more or less connected subjects.

In response to repeated demands from farm bureaus and agricultural interests, the committee then ordered for discussion and hearing 12 bills, popularly known as the "truth in fabric" and "misbranding" bills, and the hearings on these bills are now in progress.

The bills placed on this program were all introduced either in the last session of Congress or the early part of this session. They included the Cooper labor bill, the Hoch rate bill, and 12 bills relating to "truth in fabric" and "misbranding."

It will be seen, therefore, that the bills which were given priority over the Barkley bill had been in the committee for some months prior to the introduction of his bill, and some of them at least a year.

Now, it is proposed that these 276 bills shall be pushed back and that the bills which have been in the committee for a year and longer should be placed on a retired list in favor of a new bill which found its way into the House for the first time on February 28.

The committee did not vote not to consider the Barkley bill, and I am thoroughly well satisfied they want to have hearings upon this bill. Certainly I do, as expressed by my vote.

It has been stated, by way of explanation or, more properly, by way of excuse, that hearings have been held upon this bill before the Senate. As a matter of fact, a partial hearing was held before a subcommittee of the Senate, but the hearing was not conclusive or complete; yet gentlemen are advocating the very novel doctrine that the House should abandon its prerogatives and accept partial hearings held before a Senate subcommittee as conclusive upon the House.

The logic of this argument would be that all the 62 committees in the House should abandon their hearings and submit that function of the House to the Senate.

It is a new and novel doctrine. If carried to its logical extreme, it would be a humiliating abasement to which I do not for a moment anticipate the intelligent, self-respecting Members of this House will agree.

I assume there are many Members whose bills have not been considered or reported by committees who have just cause for complaint.

I feel aggrieved myself. I have some bills, introduced early in the session, long prior to the introduction of the Barkley bill, which are now before my committee. I consider them to be measures of importance which I believe will meet with the approval of this House.

Suppose each Member of the House who was disappointed or chagrined should proceed to circulate a petition for 150 signatures asking for the discharge of committees from the further consideration of bills?

How many committees would be discharged, how many bills of conflicting interests would be brought on the floor of the House, creating confusion, blocking legislation, and preventing the orderly discussion of bills properly reported from committees?

The question each man should decide is not the merits of the Barkley bill, but whether the facts justify this House in taking from one of its great committees—from one of its hard-working committees—one single bill which was only introduced on February 28, and give it precedence over 9,000 other bills now before this House.

A partial consideration and hearing on the Barkley bill before a subcommittee of the Senate, I am informed, occupied about one week.

In my judgment, it would not be possible to give a proper hearing on this bill before any self-respecting, intelligent committee of the House under two weeks, and I do not think the House, in an attempt to discuss the bill in the Committee of the Whole House, could properly do so if it occupied three weeks, and then the House would not have the benefit of the testimony of witnesses and investigation, because there is no machinery by which these witnesses can be brought before the House for the purpose of testifying.

I have tried to make this question clear. On Monday next you do not vote for or against the Barkley bill; you vote for or against the right of petition, the right of hearing. One of the old sacred rights in American and Anglo-Saxon struggles for liberty is the right of petition. The modern exercise of the right of petition means the right of hearing before legislative committees. I heard the gentleman from Alabama [Mr. HUDDLESTON], a member of my committee, complain of the practice of holding hearings before subcommittees of his own committee, and I have sustained his position on a number of occasions because I thought he was right. But now I assume that the gentleman from Alabama, who opposed hearings before subcommittees, may state that he is satisfied with hearings taken before a subcommittee of the Senate.

How many times have Members had a fixed conviction on a subject and then changed that opinion upon investigation of the facts? Many are guilty in political fights of committing ourselves to the advocacy of a bill which they have never read. The Barkley bill is a big bill. It involves the great modern questions of mediation, conciliation, and arbitration in the settlement of labor disputes. God speed the time when this House may have an opportunity to vote for a righteous measure! There is not a Member who would not almost give his good right hand to secure the passage of a fair and proper measure of such great importance. I am not one of those who are opposing that kind of a bill, but if the gentleman from Kentucky [Mr. BARKLEY] can take his bill, with 276 committee bills before it, and give it precedence over 9,000 other bills in this House, who in the future will decide what bills are to be first heard, and what bills are to be given first preference? Will the Members of this House say that the Barkley bill should be heard and the Cooper bill should not be heard? Will the Members of this House say that a great measure relating to railroad rates should be set aside for the Barkley bill? Will Members of this House say that bills waiting for a year, representing the authorship of 12 men in this House, should be set aside in order that one bill, introduced late in the session, should be given preference? If that is done with this bill, it will be done with other bills. The right of petition, the right to be heard, will be taken away.

Every man standing for and defending the rights of union labor must realize that the first thing union labor requires is a fair hearing.

It was their demand to be heard that overthrew the power of kings.

Would union labor to-day say that it favored the passage of a bill upon which the other side could not be heard?

May not the time come when union labor is on trial and a gag rule is brought in, so that their rights and their grievances could not be heard before a committee of this House?

I do not believe that understanding union labor demands that the House shall pass upon a bill upon which no testimony has been taken.

I would again vote to take up the Barkley bill, and I believe the committee will vote to take up the Barkley bill; but a committee representing 20 sovereign States in the Union should certainly be allowed the right of selection of what immediate subject shall be discussed by that committee, and that is all there is in this question. It is not the Barkley bill; it is the denial of the right of petition; it is the denial of the right of hearings. Shall we take from the House those agencies which since the time of Washington have informed the House upon the business that is brought before it? [Applause.]

NO QUORUM—CALL OF THE HOUSE

Mr. COLLINS. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Mississippi makes the point of order that there is no quorum present. It is clear that there is no quorum present.

Mr. BANKHEAD. Mr. Speaker, I move a call of the House.

The SPEAKER. The gentleman from Alabama moves a call of the House.

A call of the House was ordered.

The SPEAKER. The Doorkeeper will close the doors, the Sergeant at Arms will bring in the absentees, and the Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Abernethy	Carew	Dickstein	Gallivan
Anderson	Celler	Dominick	Garber
Bacharach	Clark, Fla.	Doughton	Garrett, Tex.
Barkley	Clarke, N. Y.	Doyle	Geran
Bell	Cole, Ohio	Drane	Gifford
Berger	Connolly, Pa.	Edmonds	Goldsborough
Boylan	Corning	Favrot	Graham, Pa.
Brand, Ohio	Cummings	Fish	Hardy
Britten	Curry	Fredericks	Harrison
Browne, N. J.	Davey	Freeman	Haugen
Burton	Deal	Funk	Howard, Okla.

Humphreys	Magee, Pa.	Reed, W. Va.	Taylor, Colo.
Jost	Michaelson	Reid, Ill.	Taylor, Tenn.
Kahn	Mooney	Robinson	Tincher
Keller	Moore, Ill.	Romjue	Treadway
Kelly	Morin	Rosenbloom	Tucker
Kendall	Morris	Schall	Tydings
Kerr	Mudd	Scott	Underhill
Kiess	Murphy	Sears, Fla.	Upshaw
Kindred	Nolan	Sears, Nebr.	Vare
Knutson	O'Brien	Snell	Vestal
Langley	O'Connell, N. Y.	Snyder	Ward, N. C.
Lindsay	O'Connor, La.	Sproul, Ill.	Ward, N. Y.
Little	O'Connor, N. Y.	Stalker	Wason
Logan	Oliver, N. Y.	Stengle	Weller
Luce	Park, Ga.	Stevenson	Welsh
Lyon	Phillips	Strong, Pa.	Wurzbach
McClintic	Porter	Sullivan	Wyant
McDuffie	Purnell	Summers, Wash.	Zihlman
McFadden	Quayle	Sweet	
McKenzie	Ransley	Swoope	
McNulty	Reece	Tague	

The SPEAKER. Three hundred and five Members have answered to their names; a quorum is present.

Mr. CHINDBLOM. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The SPEAKER. The Doorkeeper will open the doors. By special order of the House, the gentleman from Alabama [Mr. HUDDLESTON] is recognized for 30 minutes. [Applause.]

RAILROAD LEGISLATION

Mr. HUDDLESTON. Mr. Speaker, it is with hesitation that I rise in the attempt to answer the remarks of the three outstanding champions in the House of the "philosophy of standing still." [Applause.] I should not do so except for the fact that the gentleman from Kentucky [Mr. BARKLEY], who introduced this bill, is unavoidably absent to-day. I felt that some advocate of the bill should make some sort of reply to the big guns of the opposition, Mr. SANDERS of Indiana, Mr. WINSLOW of Massachusetts, and Mr. HAWES of Missouri.

When I learned on yesterday that these gentlemen had obtained leave to address the House on the Howell-Barkley bill, and that Mr. BARKLEY was absent, I asked for time for myself. They had not announced upon which side they would speak, but that was unnecessary. We, who are acquainted with their habit of thought, their attitude of mind, and their point of view, would have been grossly surprised had we come here to-day and heard them make any different arguments from those which they have made, or take any different positions from those which they have taken.

The gentleman from Missouri [Mr. HAWES] is correct, so far as I know, in saying that he had not previously expressed himself on the bill; but I knew just as well as I knew the sun was going to rise to-day that at this hour and in this place I would hear the gentleman from Missouri offering some splendid reasons—I almost said excuses—for his resolve to obstruct the passage of this bill.

Oh, there are many ways of opposing measures, many ways of preventing the will of the people from being written into law, and perhaps one of the ways is just as legitimate as another. Perhaps it is just as legitimate to stab under the "fifth rib" as it is to strike in the face; perhaps it is just as legitimate to oppose bringing up a measure in the only practicable way possible as it is to say "I am against it under any and all circumstances." The people who work on the railroads—the train crews, shopmen, and others—do not feel any particular interest in whether a Member is opposed to their bill coming up or whether he is against it after it comes up. They are men of common sense and are interested in results. They will judge him by the consequences of his action.

COMMITTEE OVERBURDENED WITH LITTLE THINGS

I have almost shed tears over the pitiful plight in which the Committee on Interstate and Foreign Commerce has been portrayed. Bowed down with, oh, such an opulence of jurisdiction, multitudes of important measures pressing upon it, and no time to do anything except report bridge bills. [Applause.] Congress has now been in session for five months, and that committee, the busiest in the House, has been sitting almost daily, yet they have never completed hearings upon a single measure of prime importance.

Mr. NELSON of Wisconsin. The Cape Cod bill has come through easily in some way or other, and we are going to take that up under a special rule.

Mr. HUDDLESTON. The gentleman must remember that the chairman of the committee [Mr. WINSLOW] is especially interested in that bill.

No hearings on any measure of prime importance have been completed by that committee, yet 175 important bills are still before it. Are you not sorry for the committee? Do you not want to do something to relieve them of their burden? They have bridges to be thinking about; they have Cape Cod to think about, the Panama Canal, the Coast Guard, the lighthouse system, and a thousand and one trifling and unimportant things, and they have no time to give to railroad legislation or other matters of prime importance. [Applause.] Do you not want to do something for this great committee and its amiable chairman? I beg you do something for him, relieve him of some of his burdens, take away this troublesome Howell-Barkley bill and bring it before the House.

I remember how the gentleman from Massachusetts [Mr. WINSLOW] fought for jurisdiction of the St. Lawrence ship canal bill, how he succeeded by might and main of his influence in wresting it away from another committee and bringing it to the Committee on Interstate and Foreign Commerce. Having done that noble deed, we have never mentioned that bill in the committee from that day until this. [Laughter and applause.]

Mr. WINSLOW. Will the gentleman yield?

Mr. HUDDLESTON. Yes.

Mr. WINSLOW. Did the gentleman ever ask anything about the St. Lawrence ship canal bill in the discharge of his duties as a member of the committee?

Mr. HUDDLESTON. No; I was not especially interested in that measure. I realized that there were so many other matters within our jurisdiction, real matters, and needing our attention so much worse than that bill that I did not mention it. I also realized that the chairman would deal with it at his pleasure in his own good time.

Mr. BURTNESS. Will the gentleman yield?

Mr. HUDDLESTON. I do not want to yield and have my time frittered away with questioning.

Mr. BURTNESS. I was wondering whether the gentleman was present at a couple of meetings where I personally raised the question with reference to the St. Lawrence ship canal project and the state of the situation with reference thereto, and when it was plainly shown that this was not the time when that legislation was advisable, due to the fact that a treaty had not been effected with Canada.

Mr. HUDDLESTON. Let the gentleman ask a question and then stop.

Mr. BURTNESS. That is a question.

Mr. HUDDLESTON. No; the gentleman is defending himself from the implication that he neglected that matter.

Mr. BURTNESS. But the gentleman stated that the St. Lawrence project has not been mentioned in the committee.

Mr. HUDDLESTON. The gentleman is trying to defend himself from the implication that he has neglected that bill.

Mr. BURTNESS. Not at all.

Mr. HUDDLESTON. The gentleman was not a member of the committee during last Congress; he could not have brought it up in the committee for that reason. It may be barely possible that he has spoken of the matter during the present session of Congress, but if he did mention it I have no recollection of it.

Mr. BURTNESS. If the gentleman had been at the meetings of the committee, he would know better than that.

Mr. HUDDLESTON. I decline to yield further to the gentleman. I am, as he knows, one of the most regular attendants at committee sessions.

The committee is burdened with a multitude of bills. There are dozens of bills of tremendous importance to the people of this country pending before our committee. There are bills to repeal other objectionable provisions of the transportation act. There is a bill to deal with section 15a, but it has not been considered and it will not be considered. There is not a chance to get such a measure before the House except by some method such as this which is being used on the Howell-Barkley bill.

Our committee are disciples of Fabius. We follow his strategy. We quote Fabius to the people of the country, who are vitally interested in these important bills, "If you are a great soldier, you will make us come down and fight." That is our answer, and in the meantime we hold interminable hearings upon unimportant bills; we are always busy, very busy, doing little things that might as well be done a year hence, or possibly never.

COMMITTEE FOLLOWS FABIAN STRATEGY

On the motion of the gentleman from Missouri [Mr. HAWES] we took up the truth in fabric and misbranding bills nearly three weeks ago, and since doing so he has honored us with his presence only upon one day, so far as I can recollect. We have gone on and on, holding these hearings day after day, with iteration and reiteration. We have never had a quorum pres-

ent; this morning only two Members, the gentleman from Nebraska [Mr. SHALLENBERGER] and the chairman of the committee were present. I do not blame Members for staying away. They know the committee is just following the Fabian strategy, busying themselves with doing little things so as to avoid being called upon to do important things; they know that nothing worth while is going to happen, so what is the use of going to the hearings and wasting their time.

I would like to see a real misbranding bill brought out by the committee, but do not imagine that I am such an optimist as to expect it. Such a measure as will be brought out, if any at all, will be such as the great exploiting interests of the country want brought out.

Next Monday, May 5, is going to be an eventful day in this House. We are going to put in operation for the first time the committee-discharge rule. Did we mean to use it when we adopted it? When we voted for it, did we really believe in it? It will be an eventful day, because those who did not really believe in the rule will find an excuse to vote against using the rule to bring the Howell-Barkley bill before the House.

Oh, the gentleman from Kentucky [Mr. BARKLEY], so the gentleman from Massachusetts [Mr. WINSLOW] says, argued against the adoption of the committee-discharge rule and now is going to use it. He sees an inconsistency in that. That is for the gentleman from Kentucky [Mr. BARKLEY] to defend against if it needs defense, but it looks to me like he has paid a tribute to Mr. BARKLEY. He has shown that he at least had intelligence enough to see the light, and the House having adopted this rule, he proposes to take advantage of it and use it for the benefit of the people whenever possible. But the gentleman from Massachusetts [Mr. WINSLOW] and the gentleman from Indiana [Mr. SANDERS] are undoubtedly consistent. They voted against the adoption of the rule, and they are going to vote against using it. They believe in the policy advocated to-day in his speech by the gentleman from Missouri [Mr. HAWES] of throttling bills in committees, of killing legislation which the people want because a committee has been so arranged and adjusted and manipulated that a majority can not be induced to vote for it. [Applause.]

FORCES OF REACTION WORKING EVERYWHERE

The gentleman from Missouri [Mr. HAWES] seems to think that because in my State it is required that a bill be referred to a committee and reported therefrom I am precluded from all argument. Let me say to the gentleman from Missouri [Mr. HAWES] that the forces of reaction are working down in Alabama just the same as they are here in Congress. Just as there are in Congress, so there are those in Alabama who do not want the voice of the people to be heard or their interests considered, and want to find some left-handed way of striking down legislation without meeting it squarely and saying "yes" or "no" upon the merits of a measure.

But let me say in defense of my State, that it is beyond the power of a committee in that State to pigeonhole a bill like this bill has been pigeonholed in the Committee on Interstate and Foreign Commerce. Under the established procedure in the Alabama Legislature a measure referred to a committee by a majority vote can be forced into the open for consideration and passage, exactly as we are trying to do here now.

Oh, the issue is plain, gentlemen. Let us not deceive ourselves; we will be unable to deceive anyone else. Let us not argue here with sophistry and subterfuge and evasion about this matter. The whole question is, Are you for this bill or are you against it? That is all there is to it.

It seems to me the part of courage to meet the issue squarely, and I want to say to you that the people who believe in this bill will interpret your action, whether it be by "sideswiping" or some more direct method; they will interpret your action correctly. Do not forget that.

When, against the practically unanimous opposition of the laboring people of the United States, we passed the Esch-Cummins bill four years ago they were very much wrought up over it. They have remembered it down to this good day against some Members who previously had been their friends. And Members of Congress who voted for that bill have complained to me and said, "I have always been a friend of labor and they ought not to hold this against me. They did not warn me. They ought to have told me in advance that they were going to accept my action upon that bill as the test of my friendship for them, so that I might have understood what consequences would ensue." Without thought of any threat or desire to influence your action it may be that I am doing my duty by you, gentlemen, to tell you, simply as a matter of information, that the laboring people of this country have set their hearts upon this bill and are going to accept your action upon it as the test of your professions of friendship for them. [Applause.] Now, no man can hereafter say he was not warned in time.

LOOKING ONE WAY, BUT SHOOTING ANOTHER

The gentleman from Indiana [Mr. SANDERS] said—and I ought to be able to repeat it because I have heard it so often here—the gentleman said, "I believe in organized labor." I have heard that so often in this House, and so often have I heard it come from gentlemen whose professions were the sole evidence of their statements. They said they "believed in organized labor" but always they voted against the things that organized labor wanted and asked. And I have heard another type of gentleman say, "I believe in labor, in those who toil, but I do not believe in labor organizations." That also is an old story, for I have noted on so many occasions that I might almost say always, that those who make that profession are, even as they make it, getting ready to strike at the common man, and are merely offering an excuse for the injustice which they are about to do.

I can well understand the type of mind and the political philosophy of Members who believe that those of wealth and intelligence and those who belong to the upper social classes should rule the country, and should enjoy special privileges and receive the best of everything. We once had a very respectable President of the United States who held to a similar philosophy. Gentlemen in these times are usually not so bold and open as he was, but many of them still hold to that same philosophy. Given a man who feels that way I can at least understand his voting against the common people, and I can understand his fighting labor organizations, the only organized fighting forces that labor has for its defense.

Mr. HAWES. Will the gentleman yield for one question?

Mr. HUDDLESTON. Will the gentleman excuse me just a moment?

Mr. HAWES. You refuse?

Mr. HUDDLESTON. Why, certainly, I refuse.

If a man holds to that theory, he is entirely consistent in fighting labor and organized labor and everybody that does not belong to the favored classes and being all the time for those who ride upon the shoulders of the masses. I have more respect for a man of that type than I have for one who says, "I believe in organized labor," yet always stabs organized labor, or who says, "I believe in labor but not in the unions," yet always stabs at common men and women.

Mr. BARKLEY called this bill to the attention of the committee. He moved that the committee take it up as soon as it had finished a measure which it was considering. Discussion was had, and it was decided to take up two certain matters of legislation as soon as the matter under consideration was finished. Then Mr. BARKLEY moved that his bill be taken up next following, but the committee voted by a majority against taking it up.

The bill went into the long sleep. The committee did not vote that they would never take it up. Nobody ever heard of a committee doing anything like that. But they resorted to exactly the same method as they would had they intended never to take it up.

I am sorry that the Members of the committee who have spoken are not more clear in expressing their candor. They cast the haze over the House that if given more time they would take up the bill, give it consideration, and favorably report it. Yet they know that nothing of the kind is contemplated or will be done. The committee might hold hearings as a "bluff"; but hearings would be futile, for every member of the committee knows there is not the slightest chance on earth that the bill will be favorably reported by the committee during the present Congress or even during a Congress 10 years from now if the committee should remain as at present constituted.

Mr. HAWES. Will the gentleman yield?

Mr. HUDDLESTON. Yes.

Mr. HAWES. Did the gentleman from Alabama at any meeting of the committee ever move to take up one of these railroad bills?

Mr. HUDDLESTON. No. Does the gentleman from Missouri think that with men like those who compose the majority of the committee I would be foolish enough to waste my time in trying to get a reduction of railroad rates? Surely I have not a reputation in the House of utter senselessness. [Laughter.]

HOWELL-BARKLEY BILL MISREPRESENTED

Now, gentlemen, I want to discuss the bill somewhat on its merits. A great hullabaloo has been raised over it. These big guns of the stand-pat policy have tried to make you believe that it means tremendous things, something revolutionary. I suppose

their attitude is owing to their revulsion against anything that would touch the Esch-Cummins Act. Having brought that measure out of committee and foisted it upon the country, having incorporated in it section 15a, which has raised railroad rates from 25 to 40 per cent, having thrust into it the labor sections which produced the greatest strike this country ever saw, having done this great work, they feel there is something sacrosanct about the Esch-Cummins Act, and pray the Deity to strike any man who dares lay a hand on that "ark of the covenant." If a majority of the Members of the House agree with them, the sooner we know it the better.

The people of the country will find out next Monday just what to expect of the House. There is no use bluffing that you are trying to give the people relief if the majority of the House is against it. Next Monday will be a very good time for the people to find it out. That will be before the elections. It is timely that we should know on next Monday who are the Members of the House who want to do something to remedy the wrong that was done by passing the transportation act of 1920.

Mr. JACOBSTEIN. Will the gentleman yield for a simple question?

Mr. HUDDLESTON. I will.

Mr. JACOBSTEIN. Is it not a fact that President Harding recommended legislation which would amend the Esch-Cummins Act in a speech delivered in Kansas City, Mo., June 26, 1923?

Mr. HUDDLESTON. Yes; President Harding urged that the act be amended so as to stimulate consolidation, and stated that he would have legislation to that end brought before the present Congress. President Coolidge, in his address to Congress of December 6, 1923, said:

> The Labor Board was established to protect the public in the enjoyment of continuous service by attempting to insure justice between the companies and their employees. It has been a great help, but is not altogether satisfactory to the public, the employees, or the companies. If a substantial agreement can be reached among the groups interested, there should be no hesitation in enacting such agreement into law.

He also at that time urged amendments to the act which would stimulate consolidation of railroads and which would provide for a reorganization of the rate structure.

WHAT "DON'T TOUCH THE TRANSPORTATION ACT" REALLY MEANS

But the gentleman from New York [Mr. JACOBSTEIN] must bear in mind that the transportation act becomes sacred literature only when it is proposed to amend it so as to reduce rates or to relieve labor or do something else for the benefit of the general public. It is not sacred against amendments to further the interests of the railroads. Our committee would already have reported such amendments had there not been the fear that thereby countenance would be given to some "vicious" effort to amend the act in the interest of the people.

The railroads fear that, once amendment is started, some provision that is not for their interest will be inserted. Hence we have the nation-wide propaganda for standing still. "Don't touch the Transportation Act." That is the cry of every railroad executive, and its echoes come back from every railroad-controlled organization, individual, and newspaper in the land.

In harmony with the position of the railroad managers and the powerful financial interests back of them and the echoes which they have called from commercial bodies in nearly every whitewashed village in the country, the majority of the Committee on Interstate and Foreign Commerce have accepted the dogma of the inviolability of the Transportation Act. I remember that in the course of his speech in behalf of the bill when it was being forced through the House four years ago I heard the gentleman from Indiana [Mr. SANDERS] say that it was "a great constructive piece of legislation." His phrase has hung to me until this day. A "constructive piece of legislation" which raised railroad rates from 25 to 40 per cent and provoked the greatest labor disturbance in all the history of the Nation. But they hang to their obsession that no profane hand must be permitted to defile it.

A MOVE FOR PEACE NOT FOR STRIFE

This bill is a measure for industrial peace and not for strife. It is true it comes from the minds of leaders of the American labor movement. It represents the best effort they can make. It is not destructive legislation such as that advocated by the gentleman from Kansas [Mr. TINCHER], whose statesmanlike bill proposed the flat repeal of the labor sections of the act, and to leave the railroads and the employees to fight to a finish. It is constructive legislation, intended to present a remedy for labor strife in transportation. It is peace legislation, and will make for peace and harmony between the carriers and their employees and thereby promote the general public welfare. Let me say to you, my friends, that the twelve hundred thousand members of the labor organizations advocating this bill are men and women, citizens of this country and consumers, and as much interested in keeping transportation going as any class of people in the world.

In point of fact, the laboring man is more interested in preserving industrial peace than either the employers or the public. Always the laboring man is interested in preventing strikes. Always the strike costs the striking laboring man more than it does anyone else. True, the public has an indirect interest and the employer also has an interest, but the laboring man has more at stake than all the rest. When he goes on a strike, whatever the final result may be, he makes the sacrifice of a part of his life. His commodity, the only thing he has to sell, is labor; and that part of his irreplenishable stock in trade, measured by the period of the strike, spoils upon his hands and is lost to him beyond recall. The necessaries of life for himself and his family, his hope of making himself independent for his old age—all these things go when the strike comes.

Let me, as one who knows the intelligent workingman, say to you that every such man enters upon a strike even as you would go upon a surgeon's table for a major operation—only as a last resort. The laboring man strikes because he feels that his loyalty—not to his immediate, selfish interest, but to his class, to his calling, to his wife and children, and to other workingmen who shall come after him—demands that he make the sacrifice.

The SPEAKER. The time of the gentleman from Alabama his expired.

Mr. HUDDLESTON. Mr. Speaker, I ask unanimous consent to proceed for 20 minutes more.

The SPEAKER. Is there objection?

There was no objection.

Mr. HUDDLESTON. The laboring man goes out upon a strike even as a soldier goes into the front-line trench to fight for his country, fighting not for himself but for all common men, that their labor may be made to yield a just return and their future be assured. Of course the strike costs him more than anybody else.

RAILROAD EMPLOYEES WANT PEACE

The railroad employees of this country want peace between themselves and their employers, and they realize that there can be no peace under the present system. After long and careful consideration and with the aid of the most skilled advice, they have drafted this bill. They have worked it over and over from every angle. Having completed the bill they submitted it to the administration itself. They were referred to Mr. Hoover and had consultations with him. He considered the measure from the standpoint of the public. He endeavored to get the railroads executives to meet with their employees to discuss this bill but they declined to do so.

Mr. NELSON of Wisconsin. Is there a single thing in this bill that the railroad employees ask for themselves that they have not equally accorded to the carriers?

Mr. HUDDLESTON. Not one thing on earth. There has been more misrepresentation about the purpose of this bill than any measure which has been before Congress within recent years.

Mr. WINSLOW. Mr. Speaker, will the gentleman yield?

Mr. HUDDLESTON. Yes.

Mr. WINSLOW. In order that the House may have the benefit of the gentleman's statement, with reference to Mr. Hoover's attitude, would the gentleman like to read a letter from Mr. Hoover in regard to his position?

Mr. HUDDLESTON. I will be glad to read it privately. I prefer not to take up my time with it now. So that there will be no misunderstanding I state that the President was approached about this bill by the committee which drafted it. He referred the committee to Mr. Hoover and they submitted the bill to him. Mr. Hoover made two suggestions for changes, which after discussion and explanation he did not insist upon. He made an effort to get Mr. Holden and the representatives of the railroads to confer with the employees, but was unable to get them to do so. That is the history of the matter. We do not need any letter to tell that.

Mr. WINSLOW. That is the gentleman's hearsay, but I will give the gentleman what Mr. Hoover said.

Mr. HUDDLESTON. I suggest that the gentleman print his letter in the RECORD. I feel no great interest in what Mr. Hoover says, nor in what his views may be.

What does this bill do? There is not a single important element of untried legislation in it. Do not take my word or that of the gentleman from Indiana [Mr. SANDERS] for it, but study

the bill. He has tried to scare you, and, as you know, he is a very able man and good at scaring. I want each Member of the House to acquit his conscience by studying this bill for himself, and making up his own mind about it. Do not take anyone's opinion.

I repeat, however, there is not a single substantial piece of new matter in the bill.

Mr. HUDSON. Mr. Speaker, will the gentleman yield?

Mr. HUDDLESTON. Yes.

Mr. HUDSON. I am interested in what the gentleman is saying, and I wondered if I heard him correctly that the bill would make no new legislation.

Mr. HUDDLESTON. No legislation which has not heretofore been in force.

Mr. HUDSON. If so, what is the need for considering it at all?

Mr. HUDDLESTON. Oh, it is not now in force. I do not want the gentleman to believe that I mean that it is merely a rehash of existing law. It carries no provisions of any moment which have not heretofore been in force, nor does it introduce any new practice.

The Esch-Cummins Act, the sacred literature of the gentleman from Massachusetts [Mr. WINSLOW] and the gentleman from Indiana [Mr. SANDERS] dealt with this subject. As it was brought upon the floor of the House and originally passed by the votes of both those gentlemen the Esch bill provided for boards of adjustment and expressly provided that the labor representatives on those boards should be designated by the chief executives of the several labor organizations, specifically naming the organizations. These gentlemen voted for it, and one of them said at the time that it was a great piece of constructive legislation. These boards were permissive boards. It went over to the Senate. The Senate passed the Cummins bill, which provided for a compulsory system for the settlement of labor disputes. The legislation then went to conference.

The gentleman from Massachusetts [Mr. WINSLOW] has emphasized the need for consideration of the Howell-Barkley bill and for hearings upon it. Yet we find that when the Esch-Cummins bill went into conference entirely new labor sections were written into that bill by the conferees. No hearings whatever were held. Those sections were written by the conferees alone. The House was not taken into their confidence. The entire bill was rewritten in eight days. There was not a tenth part of the debate over it that already there has been over this bill. The conferees wrote the labor sections of the transportation act and there they provided for adjustment boards. I wonder if the gentleman from Indiana [Mr. SANDERS] has read that act recently. Section 302 reads:

> Boards of labor adjustment may be established by agreement between any carrier, group of carriers, or carriers as a whole, and any employees or subordinate officials of the carriers or organization or group of organizations thereof.

Mark you, that is a provision of the existing law. The boards are permissive or voluntary. The only difference between existing law and the provision in the Howell-Barkley bill is that the latter makes the creation of adjustment boards compulsory.

Mr. NELSON of Wisconsin. The gentleman from Indiana stressed the fact that wage questions would not be taken up by the adjustment boards. Is not that so in the present law?

Mr. HUDDLESTON. Yes; under existing law wage questions are considered only by the Labor Board.

ONLY CHANGES FROM EXISTING LAW

The only substantial changes made in existing law is: First, to substitute for the present Railroad Labor Board, a Board of Mediation and Conciliation; and, second, to make the creation of adjustment boards compulsory instead of voluntary.

Mr. MILLS. Will the gentleman yield?

Mr. HUDDLESTON. I will.

Mr. MILLS. Is it not likewise true that under the present law boards of adjustment may be created for a single railroad system as between the carrier and its employees, whereas in your bill you provide solely for national boards?

Mr. HUDDLESTON. The existing law provides that the boards may be created by a carrier, group of carriers, or the carriers as a whole.

Mr. MILLS. Whereas your present bill provides only national boards of adjustment? Is not that the fundamental difference?

Mr. HUDDLESTON. No; I think it is merely an advance in the line of economy, efficiency, and good sense, so that instead of having a hundred adjustment boards throughout the country dealing separately with every carrier over the country and every dispute separately we provide for only four boards. What would be the expense for the multitude of boards created as the gentleman from New York [Mr. MILLS] intimates he would like to have done? Instead of costing $500,000 a year they would probably cost many times that much—they would cost vastly more and accomplish no better purpose. It would be an utterly nonsensical thing to do.

PASSAGE OF BILL MADE NECESSARY BY FAULT OF RAILROAD MANAGERS

Why has it become necessary to pass this bill? Because the adjustment boards, made voluntary under the transportation act, are by it made compulsory. That is the answer, because the railroads refused to appoint the boards under section 302 of the transportation act and the result was that every labor dispute and grievance that originated among the millions of employees was thrown into the Railroad Labor Board, which was thereby so deluged with cases that they could not possibly accomplish their work. These disputes were thrown for decision into the Labor Board, which was wholly inadequate to meet the situation. The result was that several hundred of these cases are pending even to this time; some of these cases have been pending from two to three years with yet no prospects of a decision. The unavoidable delay in decisions became a denial of justice and will remain of itself a matter of grievance as long as we fail to provide some means of relief by which they may be determined.

What the employees are trying to do is to promote peace. And what are the railroads trying to do? I give you the key to it in the statement made by Mr. Atterbury who was one of the labor committee of the railroad executives appointed to consider what they should do with reference to section 302. Eight out of nine of that committee of the leading railroad executives of the country agreed that if they should appoint the adjustment boards it would promote peace, and these eight recommended that the carriers should cooperate with the employees in creating the boards. But one man stood out, the hard-boiled financier Mr. Atterbury, who boasted that "he had learned his lesson in France." He stood out and his influence, and that of the Wall Street interests which stood back of him, were strong enough to force the adoption of his recommendation by the railroads instead of the recommendation of the eight other members of the committee which had dealt with the subject.

What reason did Mr. Atterbury give for his position? I have here an extract from his minority report:

> As an evidence of the interest of the public in this situation, I invite attention to a question recently submitted by the United States Chamber of Commerce to its membership throughout the country to a referendum vote. This question, which is analogous to that with which we are dealing, read: "The right of open-shop operations; that is, the right of the employer and employee to enter into and determine the condition of employment relations with each other is an essential part of the individual right of contract possessed by each of the parties."
>
> And the vote was: In favor, 1,665; opposed, 4.

Remember that this vote was taken under the auspices of that great benevolent institution the United States Chamber of Commerce. Mr. Atterbury said further:

> Private ownership is on its last trial.

Atterbury said that, which shows that he thinks along the same line as the gentleman from Indiana, Mr. SANDERS, who made about the same statement in his speech to-day. Mr. SANDERS said that this effort on the part of the railroad employees to promote peace between themselves and their employees is an attack on private operation. That is what all that type of gentlemen say. They see a Bolshevik in every bush, and if they see a man with corns on his hands they know that he has a bomb in his coat tail.

Mr. Atterbury further said:

> Can it be possible that you will deliberately invite a condition inevitably enlarging the power and amplifying the influence of those forces which are determined to wrest from your control the properties which you now operate?

Do you notice that these men whose affairs run into millions and who represent great interests love to talk about lands, railroads, and houses as "properties" just like that? He said:

> Throughout the critical situation through which the railroads have passed from Federal control to their return to private ownership, the railroads have had, most generally, the sympathetic cooperation and support of the industrial and commercial organizations.

Later he added his climax:

Our duty is clear. Make no contract whatever with the labor organizations.

So now, my friends, you have the reason why the railroads refused to appoint the adjustment boards. It was because that by acting with them in that matter they would recognize the labor organizations. Those of the Atterbury school made it a question of whether they would recognize the labor organizations or fight them to the death. It is these railroad executives, who want to destroy the labor organizations, who are now fighting this bill. They have inspired every little town in the country large enough to have a civic body to send to Congress a lot of foolish propaganda against this bill.

WHERE OPPOSITION COMES FROM

The inspiration for the opposition of the Howell-Barkley bill comes from three sources. The first is those who have been misled by the cloud of misleading propaganda which had been emitted by the railroad executives, who are fighting the bill. The purpose of the bill has been grossly misrepresented to business interests, officials of short-line railroads, company union men, and the public generally. Well-meaning but misguided persons from almost every community in the country have been induced to write or wire their Congressman opposing the bill. Few indeed are the instances in which these parties have read the bill or have any fair idea of what it means. Their opposition is based on cold ignorance and their willingness to obey a prod from the "higher ups" of railroad lawyers and railroad officials.

The railroad propagandists have told business men to oppose the bill on the ground that "the public is not represented on the adjustment boards." There is no provision for public representation on the adjustment boards provided by section 302 of the present law. There was no reason for public representation, because the adjustment boards, alike under section 302 and under the Howell-Barkley bill, deal merely with grievances and disputes between the carriers and their employees in which wages are not involved. The public has no interest in these disputes. Nonexperts could not function in settling them. On the other hand, to take the place of the Railroad Labor Board in its function relating to wage contracts, in which the public is interested, instead of a board with three public members and equal numbers of labor and carrier members, as provided by the eixsting law, the Howell-Barkley bill creates a board of mediation composed wholly of public members and with no labor or carrier representatives thereon.

The short-line officials have been told to protest that the Barkley bill would interfere with their labor or in some other way harmfully affect them. This is not true. The short lines will be left in exactly the same situation as they are under existing law. No additional duty will be imposed upon them. They will not be forced to do anything whatsoever against their will. They will be left to settle any disputes or wage questions by conferences with their employees, just as they may now do, and if their employees are willing to work for 50 cents a day they can still work for that amount under the Howell-Barkley bill. There is no attempt by the bill to enforce union contracts, rules, conditions, practices, or other matters upon any carrier or employee.

THE "COMPANY UNIONS"

The "company unions," "system unions," and "shop unions" are so-called labor organizations, organized with the permission and under the fostering care of the employer. In most cases they are under the employer's control, do his bidding, and are intended for no other purpose than to be used as a club to fight the regular organizations. In the case of the Pennsylvania system's unions the members pay no dues. Their sole function consist in voting for their officials upon ballots upon which each voter must sign his name and which are counted by company officials. It is said that the union officers elected in this way are usually those dictated by the company. The union members hold no meetings, and their unions' existence is merely colorable. The P. R. R. Company pays the expenses and transportation of the officers of the union and any compensation which they may receive. The company even pays rent for the offices which the union officials occupy. Of course, such a union is merely an arm of the company. It represents the company and in no sense can express the sentiments of the employees.

The company-union men, who probably number from 150,000 to 300,000 nominal members, have been told to protest against the bill on the grounds that it would force them under the control of the regular organizations. This is wholly untrue. They will be left to continue their separate existence, nominal and fugitive though it may be. They can go on negotiating with their employers and accepting employer dictation as they are forced to do. There is nothing in the bill to prevent this.

But the company-union men say that the labor members of adjustment boards will be composed of members of the regular ganizations. This does not follow. Any labor organization organized on craft lines is free to make nominations for the adjustment boards if by their fundamental law the nominating organization is no confined to a locality or system—that is, it must by its fundamental law be of the nature of a national organization. It is intended that the adjustment boards shall be composed of experts and that the labor members shall be skilled craftsmen, competent to deal with disputes relating to their crafts. This purpose necessitates nominations by a craft organization, and since the boards are to have national jurisdiction, manifestly it is proper that the nominating organization should not be circumscribed by its fundamental law and confined to a single locality or system. All that the company unions need to do to entitle them to make nominations is to organize along craft lines and to omit from their constitutions any limitation upon their geographical extent and activity. We may thus have a dozen independent national organizations and associations of company unions and each of them nominating members of adjustment boards in opposition to the nominees of the regular organizations. And the President, in appointing the boards, may name the nominees of the independent, outside, or company-union organizations.

And there is the opposition which comes from gentlemen like those who have spoken here to-day who regard the Transportation Act as a piece of sacred literature, from which for anyone to take away or add a word is to invoke damnation upon their souls. They look upon it as something that must not be changed and apply to it the words found in the last chapter of the Book of Revelations:

If any man shall take away from the words of the book of this prophecy, God shall take away his part out of the book of life, and out of the Holy City—

that is to say, he shall be damned, or something worse. [Applause.] With them it is the same with the Transportation Act. They worship it. And in the meantime the people of the country groan under the burden of excessive railroad charges and the railroad employees feel that they are being deprived of their rights in connection with their employment.

Then there is another source of opposition: They are the labor haters, those who, like Atterbury, say, "Make no contract whatever with the labor organizations." A lot of this opposition comes from men who under all circumstances are fighting the workingman's organizations and who say, "Do not treat them as though they were human beings. Beat them down. The first thing you know they will be thinking they are men. Beat them down. Use every process of force. Destroy their ogranizations, undermine their confidence in their leaders, drive them down to be the brothers of the ox." That is really the philosophy back of their attitude. I wonder whether, here in this popular branch of the American Congress, where men have come fresh from the great body of the people—I wonder whether such a philosophy will be sustained. God forbid that it should.

THE RAILROAD LABOR BOARD A FAILURE

The Railroad Labor Board as an instrument for promoting labor peace has failed. Its usefulness, if any it ever had, has ended. The failure of the board has been due in part to its faulty constitution. I quote from Mr. Hoover's address to the Transportation Congress on January 9, 1924:

The present set-up of labor adjustments has not given entire satisfaction, and in considerable degree this is due to inherent faults in the construction of the board and in its authorities. We have in this board confused four different functions in labor relationship. The board has in parts the machinery for collective bargaining, for arbitration, for conciliation, and judicial determination.

The board has failed in collective bargaining because it tried to represent both sides. It has failed as an adjustment board because it was controlled by nonexpert public members who of course could not function. It has failed at mediation because it had carrier and labor members who were partisans of their separate sides. It failed as a court both because it had carrier and labor members who were partisans and because its decrees were unenforceable.

But the failure of the Railroad Labor Board has in chief been due to the fact that the employees became convinced that it had been packed against them and that its public members were prejudiced, partisan, and unfair. Even two of its labor members were appointed against the wish of the employees and with-

out having been nominated by the organizations to which they were credited. Its public member, Chairman Hooper, became an active propagandist against the employees, and while quite complacent over the flouting of the board's authority by the railroads was tremendously aroused when the employees retaliated.

The Railroad Labor Board has failed. Already certain of the powerful labor organizations have definitely decided to ignore the board entirely in future and to endeavor to settle their issues directly with the employing railroads. A few months ago, by direct negotiation with the great New York Central, the train organizations made a contract which yields them an advance in wages. Following that precedent the bulk of the great systems west of the Mississippi have negotiated contracts with their employees.

There appears to be a general tacit understanding that the Labor Board is useless and can not function in future. We are left, therefore, either to revert to the labor system in force prior to the Erdman and Newlands Acts under which railroads and their employees might negotiate contracts with each other or resort to strikes and lockouts disastrous to transportation, or to adopt some law which will promote negotiations and adjustment.

Shall the employees and the railroads fight to a finish, with the stronger left to impose its will upon the other, incidentally crucifying the public interest, or shall the public intervene by a moderate and reasonable law to promote labor harmony in the railroad world? This is the issue which is squarely up to us. It is to meet this issue that the labor organizations have prepared this bill and are asking that it should be considered by Congress.

Not by any means are all railroad executives opposing this bill. The opposition comes in chief from those who have organized company unions to fight the regular unions and who are more interested in destroying the labor organizations than they are in successfully operating a railroad. These men oppose the bill chiefly because it was proposed by organized labor. As a matter of fact, there is really nothing in this bill which should provoke the opposition of any railroad official, whether he is opposed to the unions or not. The opposition of this class is largely due to blind prejudice.

But there is no doubt that the railroad interests generally are unfavorable to the bill not because of the bill itself but because of the fear that it will prove the entering wedge for other railroad legislation. They are opposed to railroad legislation of any kind. Their cry, which they are transmitting through Civic bodies and other interests under their control, is, "Let the Transportation Act alone"; "Let us give it a further trial." They would be glad enough to amend the transportation act in particulars for their own interest if they could be sure that it would not lead to amendments offered by the interests which they are exploiting. They fear the repeal of section 15a and the reduction of freight rates. They fight all amendments in the interest of holding section 15a and their present extortionate rates intact.

"PEACE AND WAR; TAKE WHICH YOU PLEASE"

Do not think, however, my friends, when you vote for this measure on next Monday, that you are voting for or against the labor organizations, you Members who live in rural sections and who have no labor organizations or other interests except the farmers. It is not merely a question of labor. It is a question of peace in the transportation industry. It is a question whether we shall have transportation interfered with by labor strikes or not. It is a question of whether we will settle disputes between railroads and their employees by peaceful methods or by the strike. That is the choice that you are invited to make.

As a sort of spokesman for the employees, I may quote the words of the Roman ambassador:

Here we bring you peace and war; take which you please.

Which do the interests of the folks at home require that you take? Will you stand with employers who can not see an inch beyond their noses and strive to drive down the American workingman to a lower basis, or will you carry in your hearts the future of our country, its development, and what may follow in the way of prosperity and success in the years that are to come?

These laboring men have brought you a bill, not drawn in their own interest, but drawn in the public interest. They ask you to bring it before the House. Are they not entitled to have it considered? Will you consign it to remain at the tender mercies of the Committee on Interstate and Foreign Commerce? If you do, do not rise up and plead infancy and non compos mentis when the question is hereafter brought up, because I tell you that to refuse to discharge the committee means that this bill will never come before the House, and you will never have an opportunity to consider it.

Consider the bill on its merits. If you feel it ought to be voted down, vote accordingly, of course. But do not shove it in a pigeonhole. Do not refuse these twelve hundred thousand working men a chance to get their measure considered. Examine it for yourselves. The issue is before you.

Mr. NELSON of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. HUDDLESTON. Yes.

Mr. NELSON of Wisconsin. There are hearings in the other Chamber on this question, are there not?

The SPEAKER. The time of the gentleman from Alabama has expired.

Mr. HUDDLESTON. Mr. Speaker, may I have one minute more?

The SPEAKER. Is there objection to the gentleman's request?

There was no objection.

Mr. HUDDLESTON. Answering the question of the gentleman from Wisconsin, I say yes; full hearings on this bill have been held by the Senate committee. The railroads have been represented at those hearings by nearly a dozen of the ablest railroad executives in this country, including their able attorney, Colonel Thom. They have said everything that could be called an argument that men can say against this bill. Also, the proponents of the bill have presented their views in a brief and succinct way. Those hearings have been printed. Get a copy of them. Read them, and prepare yourselves on the bill. They are better hearings than those that would have been held by our committee, for they are shorter. They are long enough. Read the hearings, and let us have a vote on this bill. [Applause.]

In recapitulation I desire to state in brief the objections which were made to the Barkley bill by the carriers' witnesses in the Senate hearing, and to make answers thereto, as follows:

I. THE GENERAL DUTY IMPOSED ON EMPLOYERS AND EMPLOYEES

There seemed to be no objection to the general duty imposed in section 2 upon carriers and employees "*to exert every reasonable effort to make and maintain agreements concerning rates of pay, rules, and working conditions, and to settle all disputes arising out of the application of said agreements.*"

Carrier witnesses agreed that such effort is "the established practice and is the method promoted and desired not only by representatives of employees but also by railroad management." (Testimony of Mr. Hale Holden.)

II. THE SELECTION OF REPRESENTATIVES TO DECIDE DISPUTES IN CONFERENCE

Objection A: The requirement of section 3 that conferences upon disputes shall be held "between representatives designated and authorized so to confer" is followed by the provision that such representatives shall be designated by each party "*without interference, influence, or coercion exercised*" by the other party. It was objected that this would prevent a management from "submitting its side of the case to the employees" (Mr. Walber); which was later explained (by Mr. Thom) to mean that a management would be prevented from protesting against the character or conduct of employee representatives.

Answer A: The bill *only* prohibits the employer from interfering in the *selection* of representatives, or from controlling the organizations of employees so as to dictate the selection of employee representatives. There is no limitation whatsoever upon the power of the employer to persuade the employees or their representatives to agree with him. On the contrary, the bill requires the parties to "exert every reasonable effort" to agree.

The necessity for a provision prohibiting the employer from controlling the organization of employees—whereby their pretended "representatives" are merely secret agents of the employer—has been proved by the persistent evasion in this manner of the present law by a few large railroads.

Chairman Hooper, of the present Labor Board, who testified in favor of retaining the Labor Board, nevertheless urged that the law be amended so that "the carrier should not be permitted to evade the law by conferring with somebody else under the pretense that it is conferring with the employees' representatives. If this is done, and it has been done, the very vitals of the law are cut out and cast away."

Members of Congress are now being deluged with memorials from officers of company unions claiming to "represent" thousands of employees who are stated to be opposed to this bill which would insure them *honest* representation. These company-union officers who are sending in messages are paid by the employers, *according to their own admissions in the committee hearings.* It was admitted that the railroads helped prepare their statements and paid their expenses. Their "organizations" are supported by company funds or by dues

forcibly collected from workers compelled to join these company unions. Yet these company agents insult the intelligence of Members of Congress by claiming that the employees whom they are hired to betray do not want Congress to free them from their enforced and un-American servility.

III. THE REQUIREMENT THAT CONFERENCES SHALL BE BEGUN PROMPTLY

Objection B: The carriers objected to the provisions of section 3, A–3, requiring the fixing of a time and place for conferences, on the ground that when there are many disputes it may be difficult or impossible to hold conferences within 20 days of notice.

Answer B. The bill does not require conferences to be held continuously or to be terminated within any fixed time. But they must be started promptly. A similar right is given to every litigant in any court to require his opponent to respond promptly to a motion. Then the matter is heard according to the convenience of the court and of the parties. Nothing more exacting is required by the proposed act. Nothing less will prevent carriers from evading the proposed law as they have evaded the present law, by postponing indefinitely the beginning of conferences.

Chairman Hooper, of the present labor board, testified that the mandatory requirements of the present act for conferences "have been disregarded and evaded by a number of railroads with consequent disadvantage and injustice to the employees." The requirements of the proposed act are designed to prevent such evasions.

IV. BOARDS OF ADJUSTMENT

The principal objections of opponents of the bill were directed against the creation of four national boards for the adjustment of grievances of employees arising out of the application of agreements.

Objection C 1: The carriers and others (who either misunderstood or willfully misinterpreted the provisions of the Howell-Barkley bill) objected that the four national adjustment boards would bring about standardized national wages or rules.

Answer C 1. The national adjustment boards have nothing to do with either *making* or *changing* of agreements whereby wages or rules are established. They only decide disputes over the *application* of agreements, called "grievances."

Section 4 reads as follows: *"If any dispute arising only out of grievances or the application of agreements concerning rates of pay, rules, or working conditions is not decided in a conference * * * it shall * * * be referred * * * to the adjustment board which * * * is authorized to hear and decide such dispute."*

Section 5 provides that *"if any proposed change in rates of pay, rules, or working conditions is not decided in conference between the parties, either party may invoke the services of the board of mediation and conciliation."*

Thus it is plain that agreements are *made* and *changed* (1) by conference between representatives of a single carrier and its employees; (2) by mediation; or (3) by arbitration. There is no provision made for any action by any national adjustment board to fix wages or rules or to make or change agreements. Nor is there any machinery provided for making any "national agreement" upon wages or rules.

Objection C 2: It has been objected that the national adjustment boards are substituted for the Labor Board and that there is no "public" representative on them.

Answer C 2: The boards of adjustment are *not* substituted for the Labor Board. The board of mediation and conciliation, composed only of *five* public members *is* substituted for the Labor Board, which is now composed of *three* public members, three carrier members, and three labor members. The carrier witnesses—supported by company unions—urged that the present Labor Board be changed to *five* public members, two carrier members, and two labor members. The board would then be controlled by the five public members and, as their decisions would not be enforceable, they would constitute practically a board of five public mediators *which is precisely what is provided in the proposed law.*

BOARDS OF ADJUSTMENT ARE PROVIDED FOR IN THE PRESENT TRANSPORTATION ACT

The insincerity of objections to the proposed boards of adjustment is shown by the following facts:

1. The present law provides for the establishment of boards of adjustment (sec. 302) to handle *grievances only* (sec. 303)—but they were to be established by *agreement between* carriers and employees. Such boards were recognized by railway executives (March, 1920) and the Labor Board (July, 1920) as "an essential part of the machinery to decide disputes."

2. The labor committee of the Association of Railway Executives in March, 1920, voted 8 to 1 in favor of establishing *three national adjustment boards,* substantially the same as Boards No. 1, 2, and 3 in the present bill. The carriers and the national labor unions were to name an equal number on each board. The 8 who voted for national boards were Presidents Gray and Holden—who now testify "there has never been offered any satisfactory reason for their creation"—Besler, Hustis, Loomis, Maher, Markham, and Young. Vice President Atterbury, of the Pennsylvania, *alone* dissented. Mr. Atterbury, backed by bankers and large industrial employers, advocated a labor-union-smashing campaign. "Make no contract whatever with the labor organizations," he urged. The Association of Railway Executives eventually voted with him 60 to 41, and reversed its labor committee.

3. Because the railroads refused to establish adjustment boards the Labor Board was swamped with grievance disputes which it had not been expected to handle and which it was incapable of handling efficiently.

4. The proposed act will simply establish by law the boards which were provided for—but to be created voluntarily—in the transportation act—boards which are essential to prompt, effective settlement of grievance disputes over the application of agreements.

5. Chairman Hooper testified that "the employees are correct in their contention that the failure of the carriers and employees to agree upon the establishment of adjustment boards has substantially detracted from the effectiveness of the law." This is putting it mildly. The fact is that the financial masters of the railroads deliberately destroyed the legal machinery intended to provide prompt justice for the employees, against the advice of the best railroad operating executives.

Objection D: The carriers and some company unions contend that establishing national adjustment boards will prevent single railroads from establishing local adjustment boards.

Answer D: Local adjustment boards are merely extensions of "conferences" between a single carrier and representatives of its employees. The bill requires every reasonable effort to settle disputes in *conference.* Nothing in the bill prevents the establishment of local adjustment boards by agreement whereby their decisions shall be final, so that the parties *are not required* to go before the national boards, if they agree to settle their disputes otherwise.

Objection E: A few small labor organizations object that the disputes of their members do not come within the jurisdiction of any one of the national boards, and that they have no tribunal of appeal.

Answer E: Any dispute not settled in conference or by an appropriate adjustment board will go to the board of mediation and conciliation (sec. 5). Therefore these organizations *have* an appeal to the board which is substituted for the present Labor Board.

It would be unreasonable to establish boards of adjustment for every class of railroad labor. One actively protesting organization has had less than five grievance disputes a year before the Labor Board. The board of mediation will provide ample relief for them. The purpose of the adjustment boards is to provide a speedy machinery for settling the numerous technical disputes of more than 90 per cent of all railroad employees.

NECESSITY FOR ADJUSTMENT BOARDS

The efficiency of and necessity for such boards have been proved. During Federal control the corresponding Board No. 1 decided 3,000 cases without an appeal; Board No. 2 decided 2,000 cases with less than 10 appeals; Board No. 3 decided 1,100 cases with only 1 appeal.

(Testimony of Director General Hines in hearings on Senate Resolution 23, January 24, 1922)

In its first two years the Labor Board was improperly required to decide some 1,200 cases and accumulated about 1,500 more undisposed of. At the start of this year hundreds of small cases were still undecided which had been pending for between three months and three years, working untold hardship on large numbers of employees and fermenting unrest. Furthermore, Labor Board decisions are not enforceable and have been frequently violated by the railroads (Labor Board report, November 15, 1923), whereas decisions of adjustment boards are made enforceable (sec. 4).

Objection F: The carriers and company unions object that the national organizations have the "special privilege" of "naming" the labor members of the national adjustment boards.

Answer F: The President of the United States will appoint all members of the national adjustment boards (sec. 3–B). No labor organization is mentioned anywhere in the bill. All "nationally organized crafts" have an equal right to offer two nominations for each position to be filled. This is a proper classification. It would be unreasonable to ask the President to consider the nominees of every local organization (of perhaps 50 or 500 men) for an appointment to represent perhaps 100,000 workers. But *any* national organization of employees whose work comes within a board's jurisdiction has the privilege of offering two nominations to the President. It is, of course, assumed that the President will desire to appoint bona fide representatives of the largest groups of employees interested. The regulation of how nominations shall be made and what organizations come within the spirit of the law can, and should, be left to the discretion of the President.

FOUR OBJECTIONS OF THE CARRIERS TO NATIONAL ADJUSTMENT BOARDS

Speaking for all the carriers, Mr. Holden listed four objections, which will be answered briefly.

Objection G 1: That national boards lose contact with local conditions.

Answer G 1: If the present law remains, all disputes will go to the Labor Board, which is a *national* board, having no contract with local conditions. This Labor Board has three public members who have no technical knowledge of railroad operation. The carrier and employee members will not be technically informed on a large proportion of the disputes they must consider. The proposed boards will be composed entirely of experts in the particular controversies which they will review. Being removed from the local atmosphere of prejudice they will be able to interpret contracts in the impartial light of good railroad practice.

Objection G 2: That national boards will standardize conditions.

Answer G 2: These boards will only standardize *interpretations* of agreements; that is, they will only standardize the law of railway labor contracts, which is obviously desirable. They will have no power to make or change rules, whereas the present Labor Board, having power to decide disputes over the making of rules, will continue its demonstrated tendency toward standardizing rules.

Objection G 3: That national boards will offer an invitation to appeal and so prevent settlements in conference.

Answer G 3: The present Labor Board, having the three nonexpert members, encourages appeals of poor cases. A disputant with a poor case will be far less inclined to appeal to an expert board, which would give him short shrift.

Objection G 4: That these boards involve unnecessary expense in maintaining and attending upon them.

Answer G 4: The expense of maintaining these boards will be far less per case than that of the Labor Board, because they will not sit as judicial bodies and require a staff of stenographers, clerks, examiners, and investigators. Their procedure will be simple and inexpensive and the cost to disputants will be infinitely less than the present excessive cost of producing evidence and making a record to educate the lay members of the Labor Board. These assertions are amply proved by experience with adjustment boards and with the present Labor Board.

V. THE CLAIM THAT THIS IS "NEW AND PARTISAN LEGISLATION"

Objection H: The carriers claim that the proponents of this bill are seeking new and partisan legislation.

Answer H: Ninety per cent of the Howell-Barkley bill is merely a rewriting of previous acts of Congress. It is a codification of tried and successful legislation. The duties imposed and conferences required are taken from the present transportation act. The provisions for mediation, conciliation, and arbitrations are simply revisions of the Erdman and Newlands Acts that have been the law since 1898. Under these acts peace was preserved on the railroads for 20 years. From 1913 to 1919, under the Newlands Act, which only covered train-service men, 148 major disputes were adjusted, affecting 586 roads and 620,810 men, without a single strike resulting.

The adjustment board provisions in this bill were in effect and operated with remarkable success (as previously shown) during two years of Federal control. Similar boards, established by the train-service men, by agreement with certain roads, have operated with uniform success since Federal control. Similar boards have been in completely successful operation for years in Canada.

In the conference between the Senate and House on the Esch-Cummins bills in 1920 the conferees agreed to provide for three national boards of adjustment (comparable to the proposed boards 1, 2, and 3), the labor members of which were to be appointed *directly by* the chief executives of the national labor organizations that are supporting the present bill. At the last moment, at the suggestion of Mr. Hines, the director general, but previously and now a railroad official, this provision was stricken out and the boards were left to be created by agreement.

Mr. Hines evidently assumed that the railway executives would continue voluntarily these boards, which he declared to have been "eminently satisfactory." The good faith of his suggestion is not questioned, but it was misplaced faith and did incalculable injury to the employees and the public.

The fact remains clear that Congress was on the verge of establishing in 1920 national boards of adjustment whose labor members would be *directly named by* certain designated national labor organizations. Yet in 1924 when *these same organizations* seek merely the privilege, in common with any other nationally organized crafts, of offering nominations to the President they are accused of advocating "new and partisan legislation."

MINOR OBJECTIONS

The carriers and other witnesses have offered some minor objections to the bill which need receive little attention. A sincere objector who has any constructive purpose should be able to present such objections in the form of proposed amendments. But since no such amendments have been offered such objections can be properly regarded as simply efforts to discredit the constructive work of those who are seeking the enactment of a just law. One example of these minor objections will suffice:

Objection I. One carrier witness (Mr. Walber) objected to the provision (section 1, (7)) adopting the Interstate Commerce Commission's classification as a "legal classification" of railway employments and prohibiting changes without approval of the commission, on the fanciful ground that it interfered with managerial freedom of action.

Answer I. If some fixed occupational classification is not established, a railroad management is able merely by changing an employee's title to make the claim that he can no longer be represented by his craft organization. This method of depriving an employee of the right to the representation he desires has been repeatedly used by certain railroads to evade the provisions of the present law. That is the purpose and necessity for providing that the Interstate Commerce Commission classifications shall furnish an official description of a railroad employment "*for the purposes of this act.*"

SHORT-LINE RAILROADS

Objection J: Representatives of short-line railroads objected that the proposed bill would increase their expense of operation and made a pathetic plea against burdening their semibankrupt roads any further.

Answer J: To carry grievance disputes or wages and rules disputes to the present Labor Board costs far more than it will cost to take unsettled grievance disputes to the proposed adjustment boards or to invoke the services of the proposed board of mediation and conciliation in disputes over wages and rules. The short-line objections were simply assertions contrary to facts.

The records of previous Federal mediation and of the Labor Board show clearly that some machinery must be provided to insure adjustment of the many disputes which have threatened to interrupt service on these lines. The proposed machinery is less expensive for all parties than the present machinery and the short lines offered no evidence to prove the contrary; relying simply on unsupported assertions. As has repeatedly happened when legislation has been proposed, the short lines came forward with a plea of poverty to excite sympathy in order to pull chestnuts out of the fire for the class I railroads.

EXPENSE

Objection K: Some objections have been made, though not very vigorously, to the expense entailed by enactment of the proposed law.

Answer K: The appropriations for the Labor Board have been between $400,000 and $350,000 annually. This has been the *direct* cost to the Government of this unhappy experiment. In addition the Government paid, in 1922, over $2,000,000 for expenses of the Department of Justice in connection with one strike alone—the shopmen's strike. This strike cost the public hundreds of millions of dollars. It cost the railroads in "out-of-pocket" expense *alone* over $100,000,000. It was brought about largely through the ineffectiveness of the Labor Board, which instead of functioning as a body of public mediators attempted arbitrarily to force drastic changes in wages and working conditions. Thereby the board appeared to the employees as merely an instrument of certain railroad managements in bringing about what Federal Judge Anderson described as a "provoked strike" as a means for smashing the labor organizations. The cost of maintaining such a tribunal was Government money thrown away. If a real board of mediation had been available it is the firm belief of the proponents of the present bill that that costly strike would have never occurred.

To make effective even the machinery of the present transportation act it is generally admitted that boards of adjustment must be established. The least possible number would be the four provided in the present bill. Therefore this additional expense over the Labor Board expense is inevitable.

The board of mediation and conciliation which will be substituted for the present Labor Board will cost less than $100,000 per year—thus between $250,000 and $300,000 will be saved over the cost of the present Labor Board by establishing the proposed tribunal of proved success for the present tribunal of proved failure.

The national boards of adjustment should be *Government tribunals*, in order (1) that their authority may be clearly established and (2) that they may not be abolished at the will of either party, which would be always possible if they were privately supported. It is doubtful whether Congress could constitutionally *compel* the railroads and their employees to maintain a prescribed machinery at their own expense. Therefore the money saved in abolishing the Labor Board should be expended upon the maintenance of these boards, for which $400,000 annually should be sufficient. Thus by an annual expenditure of approximately $100,000 more than at present the Government can provide a well-tested and proven machinery for settlement of labor problems in the transportation industry—an investment of public funds that will return 100 times the investment annually to the entire American people whose comfort and prosperity depends upon transportation service.

It is hardly believable that advocates of false "economy" can persuade Congress that an additional expenditure of $100,000 per year to insure just treatment of 2,000,000 workers and the resulting continuous reliable operation of the railroads is unjustifiable.

Congress appropriates $5,000,000 annually for the Interstate Commerce Commission—and the value and necessity of its labors would

warrant a larger amount. This expenditure is all for the purpose of requiring railroad managements to furnish adequate service at reasonable rates and without discrimination. But, as the late President A. H. Smith, of the New York Central, stated, "95 per cent of this railroading is human; the other 5 per cent is merely coal and steel, and it is not worth anything if you do not get good men with it."

One-tenth of the amount appropriated for the Interstate Commerce Commission is surely not a large sum to expend upon a machinery to insure the fair treatment of human beings who perform "95 per cent of this railroading."

It has been found necessary to establish a public machinery to compel the railroads to treat the public fairly in furnishing service and in making charges. Likewise it has been found to be necessary to establish a public machinery to compel the railroads to treat their employees fairly in fixing working conditions and rates of pay. This proposed machinery is required for the public interest as urgently as the machinery of rates and service regulation. It is opposed by selfish private interests in the railroads, just as they have always opposed every exercise of public authority to protect public interests. It is sponsored by the genuine representatives of "the overwhelming majority of the railroad employees and subordinate officials, stated by those who are in a position to speak with confidence and authority to be more than 90 per cent." (Interstate Commerce Commission Report in Ex parte 72.)

The organized railway employees bring forward a tried and successful program for industrial cooperation with the encouragement and support of governmental authority. It is submitted as the most effective measure ever presented to Congress to eliminate strikes from the American railroads. It will be absolutely effective if railroad managements cooperate, particularly because the employees will be pledged to the public and to each other to prove that their constructive program to solve labor problems in the transportation industry is in truth a program of peace.

The SPEAKER. The gentleman from Illinois [Mr. DENISON] is recognized to address the House for 15 minutes.

The SPEAKER. The gentleman from Illinois [Mr. DENISON] is recognized to address the House for 15 minutes.

Mr. DENISON. Mr. Speaker and gentlemen of the House, different ones among us approach this subject from different points of view. It happens that I see my duty from just a little different viewpoint from that of all those who have addressed you on the subject to-day. Perhaps that is the best excuse I can offer for asking to take up a few minutes of your time just now.

Mr. Speaker, I am representing here what may be properly called one of the largest labor districts in the country. My constituency contains about 50,000 bituminous coal miners and several thousand railroad workmen, as well as many other thousands of organized laborers. With very few exceptions these men are all American citizens, loyal, patriotic, striving against hard economic conditions and aspiring to own their own homes, educate their families, and improve their conditions in life.

I am interested in their welfare. It is my duty to represent them in this Chamber. I have been their consistent friend during my entire service in Congress, and I intend to remain their friend and support all legislation that will fairly benefit them and improve their conditions and that will not be injurious to others who may be affected thereby. If I could not do this conscientiously and willingly, I would no longer ask to be here to represent them.

For the past six years I have been a member of your Committee on Interstate and Foreign Commerce. That committee, I believe, is the most important strictly legislative committee of this body. Its chairman and its members are men of splendid ability and without exception devoted to the duties and traditions of the committee. In the performance of their duties no committee of the House would have worked more assiduously or more fairly to those whose interests are committed to them and with less partisanship than has the Committee on Interstate and Foreign Commerce.

I owe it both to the people I represent, whose support I must have if I remain here, as well as to the members of my committee and of the House, without whose good opinion and respect service here would be to me of little value, to state briefly my position with reference to the pending proceedings connected with the consideration of the so-called Barkley bill, or railway labor bill.

This bill as introduced on February 28 last.

On March 26 Mr. BARKLEY asked the committee for hearings. Between those dates the committee had held hearings on the Cooper bill to provide for additional boiler inspectors for the railroads, a bill in which the railroad men of the country were very deeply interested. Hearings were also held on other important bills, including the Hoch bill to provide for a general survey of freight rates of the country. I was in favor of the consideration of each of these bills. There were pending before our committee a great number of bills known as the truth in fabric or misbranding bills. Many of these bills had been before Congress for a great many years. Some had been pending before our committee ever since I have been a member, and I know not how long before. We had been urged by the farmers of the country, and by many others interested in them, to have hearings and give the bills consideration. And I may say in that connection that the motion to discharge might well have been filed, and, I have no doubt, would have been filed to discharge our committee from consideration of those bills if we had longer delayed hearings on them and had begun consideration of the Barkley bill.

On March 26 the committee decided to hold hearings on the truth in fabric and misbranding bills. I was not present when this decision of the committee was taken. I left for my home in Illinois that day and did not participate in the proceedings which resulted in the decision to hold hearings on those bills. Had I been present I would have voted to hold hearings on the Barkley bill.

On April 15 the gentleman from Kentucky [Mr. BARKLEY] addressed the House, discussing ably and at some length the provisions of his bill, and in the course of his remarks announced that he would that day file a motion to discharge the Committee on Interstate and Foreign Commerce from further consideration of the railway labor bill. He took occasion to criticize the committee for failing to hold hearings on his bill, and in substance charged the committee with ignoring it and refusing to give it consideration. His criticism of the committee was, I think, unfair to the committee and wholly without justification, and has, I regret to say, placed the committee in a position before the House which the records and facts, if they were fully known, would not sustain. The committee took no action indicating any desire or intention to ignore the gentleman from Kentucky or the bill he had filed. There was no disposition shown, so far as I could discover, to refuse prompt hearings and consideration of that bill. There was no unusual delay in view of other important business pending before it, and such delay as there was, was due wholly, I think, to a desire on the part of the committee to give hearings on other bills that were of great importance and that had been pending before the committee not only for months but for years.

I regret that the management of this proposed legislation has been allowed to assume a political aspect. There is not the slightest justification for making such legislation a partisan matter. Legislation affecting the interests and the welfare of those employed on the railroads of the country is too vital to them and of too great importance to the country to be considered and determined from a political or a partisan point of view. And yet somebody is responsible for allowing or causing this bill to be treated as a political matter.

The gentleman from Kentucky [Mr. BARKLEY] has chosen to proceed under the new discharge rule adopted by the House early in this session and on next Monday will ask the House to discharge the committee from further consideration of the bill and to consider it in the House without hearings.

This new discharge rule is the one exclusively political rule among all those we now have that govern the proceedings in this Chamber. It was conceived and proposed for political purposes. It was adopted by an unnatural political combination of the Democratic and progressive or radical parties in the House. It will enable a minority party to begin proceedings to discharge committees from the consideration of important legislation and will authorize a combination of minority parties to take from the majority party the control of and responsibility for legislation which it ought to control and for which it ought to be responsible. It is subversive of orderly parliamentary procedure. It is revolutionary, in that it tends to and in my judgment will ultimately overthrow the committee system for considering legislation that has for more than a hundred years been recognized as a fundamental part of our legislative procedure. It will deprive the people of the right to be heard on legislation that will affect their interests and will result in the enactment of unsound, unfair, and inadequately considered legislation. I voted against the adoption of this rule, and I venture the prediction that sooner or later it will have to be modified or repealed.

Now, when those who prepared and drafted the Barkley bill were ready for its introduction they chose to make use of the two political minorities who were responsible for the adoption of the discharge rule. They asked Mr. BARKLEY, a Democrat, and Senator HOWELL, a radical or so-called progressive, to introduce the bill in the House and the Senate. And the same

combination, with a few exceptions, signed the petition to discharge the committee. I wish that this had not been done. I regret that those who are responsible for the management of this bill have chosen to make a political matter of legislation which I think is meritorious. I wish that it might have occurred to them to at least consult some Republican who is responsible here for the control of legislation, with reference to the introduction of the bill and its course through what is supposed to be a Republican Congress and up to a Republican President for his approval. But instead of doing that, the Republicans in the House were ignored; and this bill was placed in the hands of the political combination of Democrats and so-called progressives; they signed the petition to discharge the committee and have been placed on the so-called "honor roll."

Gentlemen, does anyone in this Chamber seriously think that if this bill is jammed through Congress without a fair and reasonable hearing and without proper consideration, if the committee to which it is referred is flouted, and if the Republican leadership of the House and the Senate is wholly ignored; does anyone seriously believe that the President would approve it?

I want to submit that thought to the gentleman from Alabama [Mr. HUDDLESTON] particularly, because I believe that my sympathies and his are the same in these matters. We are both alike interested in the welfare of the workingmen who are employed on our railroads.

Mr. HUDDLESTON. Will the gentleman yield?

Mr. DENISON. I will.

Mr. HUDDLESTON. Does not the gentleman think we can trust the President to approve it if it is a proper bill?

Mr. DENISON. I do.

Mr. HUDDLESTON. And if it is right for him to approve it, he will approve it?

Mr. DENISON. I think so.

Mr. HUDDLESTON. Irrespective of whether the committee would report it out or not?

Mr. DENISON. No; I do not think the President would countenance the passage of a bill of this importance through Congress in this manner and without giving those interested in it a chance to be heard.

Mr. HUDDLESTON. Does the gentleman think the President should veto a proper and right bill merely because a committee of the House did not report it out?

Mr. DENISON. The gentleman is assuming in his question that the President would find it was a proper and right bill, but I am saying this—that I do not believe the President would approve this method of passing a bill. I believe the President would think that a bill of this importance ought to be given careful consideration by the committee, after those who were both for and against it were allowed to be heard. Therefore, if the proceedings now begun are continued, I do not think he would give it his approval.

Mr. HUDDLESTON. Does not the gentleman think the House is competent to decide its own processes in passing legislation?

Mr. DENISON. I think I have explained my point, and I do not care to yield further.

Is it possible that there are those here or elsewhere who want this bill vetoed on the threshold of a national campaign with the hope of promoting the interests of some candidate for President, or possibly of injuring those of another? Should the interests of the hard-working railroad men of the country be made a political football? So far as I am concerned, I will not join in such a movement.

I do not think it is fair to the railroad workmen themselves who, of course, know nothing about our parliamentary procedure and who are themselves not directly responsible for the way the bill is handled, that it should have become tainted with partisanship. Railroad workmen have their own politics. They can not be delivered politically to any candidate or to any party. There are Members of this House who belong to both of the old political parties who are loyal to the best interests of the railroad men. We want to promote their welfare, but we must also maintain our loyalty to the political party with which we are affiliated. I am a Republican and I think the Republicans here can handle legislation for the railroad men just as well as the Democrats or Progressives can.

And so, Mr. Speaker, I regret that an attempt has been made in connection with this bill to put the Republicans here in the attitude of opposing it. It puts us in a false attitude because the railroad men of the country have no better friends than will be found among the Republicans of this House.

As to the merits of the Barkley bill, I want to say this: I was a member of the Committee on Interstate and Foreign Commerce when the transportation act of 1920 was under consideration. We held hearings on that important legislation which lasted from June until October, I believe. I voted against the Esch-Cummins bill because I did not approve some of its provisions. I stated in this Chamber that I did not approve the method provided for settling labor disputes. I did not believe that the Railroad Labor Board would prove satisfactory to the men or to the railroads.

My study of this question has convinced me that the most effective and most satisfactory method of adjusting differences and settling disputes with reference to grievances and wages and working conditions is to allow representatives of the men themselves and of the companies to get together and without obstruction or interference by outside parties counsel and consider and resolve their differences among themselves; and I have favored any legislation that would authorize and legalize some such method of disposing of disputes between the railroads and their employees.

The SPEAKER. The time of the gentleman from Illinois has expired.

Mr. DENISON. Mr. Speaker, I ask unanimous consent to proceed for 10 minutes more.

The SPEAKER. The gentleman from Illinois asks unanimous consent to proceed for 10 additional minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. DENISON. I have not had time to give careful study to all the provisions of the Barkley bill. It is long and more or less technical and is somewhat difficult to understand, but from what I know of it I approve in the main of the plan there proposed for settling railroad labor disputes. Therefore I want it understood that in the main I am in favor of the general plan for adjusting labor disputes that is proposed in the Barkley bill.

But it is a matter of such vital importance to the railroad laborers and the railroads themselves, it is a matter of such far-reaching importance to the entire country, that I do not believe it ought to be given merely superficial consideration. I think this bill should have been allowed to take the usual orderly course of procedure that is followed in the consideration of other important legislation.

We are not confronted by any impending emergency. The railroads and their employees are at peace. There is no impelling necessity for such precipitate haste as to make it necessary that this bill be passed without allowing anyone whose interests may be involved to appear before a committee and be heard. I think the House should carefully preserve the long-established policy of committee hearings on important legislation. The people whose interests are so vitally involved have no other effective way to petition Congress and make known their wishes and their views. Railroad men have nothing to conceal nor any reason to fear the fullest investigation of any legislation that is proposed for their benefit or relief. This legislation is too important to be considered on the floor of the House without some knowledge or information of the interests and the conditions about which we are to legislate.

There are various provisions in the Barkley bill that the Members of Congress can not understand unless they chance to be familiar with all of the delicate relations that exist between railroads and their employees and the difficult and far-reaching problems involved in a national transportation system. For instance, I have received in the last few days a number of petitions and letters from railroad men and organizations of railroad men in my district protesting against this bill and claiming they are not represented on the various adjustment boards provided for in the bill. They ask for the privilege to be heard. None of us can know how much this bill will cost the Government. A reasonable time for hearings would allow all parties interested in the legislation to be heard, estimates as to the amount it will cost the Government to be presented, and suggestions which might improve it or remove some objections to it could be offered, and the House would be enabled to consider it intelligently and in an orderly way.

I believe that if there could be hearings on this bill and if it could be carefully considered by the committee, and if perhaps objections that may be made to some of its provisions could be removed by amendment, the bill will be approved and passed by the House. But without hearings, without full information, and without careful consideration by both the committee and the House, I fear the best interests of the millions of railroad men in the country will not be considered on their merits and the bill will not pass.

I think it is unfortunate that this bill could not have been filed a year or more ago. The Railroad Labor Board has been

in existence four years. Congress could then have had ample time to consider it on its merits with no national presidential campaign imminent. I regret that it was not filed until near the 1st of March, when it was known that the committee calendars were crowded and Congress was trying to adjourn before the national conventions.

I understand that 18 months were required for the preparation and final drafting of the bill. And yet our committee was asked to consider it and dispose of it to the exclusion of all other business of the committee within a month or so after it was filed. I do not think this is quite fair to the committee or to the House or to the men whose interests are involved.

So, Mr. Speaker, while I approve of the general principles of the bill and intend to vote for it, I do not approve of the method adopted by the gentleman from Kentucky [Mr. BARKLEY] for forcing its consideration by the House without hearings and without time for its consideration by the committee to which it was referred. I do not approve of his criticism of the committee of which I am a member, nor will I by my vote become a party to the plan unfairly to put our committee in the false attitude of either obstructing or refusing to give prompt consideration to this bill. For these reasons I shall vote against discharging the committee, and I shall vote against the consideration of the bill until hearings are held. [Applause.]

Suppose the railroads, or their attorney, Mr. Thom, referred to by the gentleman from Alabama, had spent 18 months in preparing a bill for the adjustment of labor disputes from their point of view; that he had filed it and then tried to rush it through Congress without hearings, without giving the men an opportunity to be heard or the committee a chance to consider it. I am wondering how many would have walked up here to the Clerk's desk and signed a petition to discharge the committee from the consideration of such a bill. I wonder how many here would vote to take up such a bill on the floor of the House and try to put it through Congress without hearings or orderly consideration. I would vote against a bill of that kind and I would not vote to discharge the committee under such circumstances. I want to be fair with all and deal justly with both sides.

Mr. BLANTON. Will the gentleman yield for one question?

Mr. DENISON. Yes.

Mr. BLANTON. If this should be an improper bill, does the gentleman think it would be possible to frame it and amend it on the floor of the House under the rules?

Mr. DENISON. I do not concede it is an improper bill, in the first place. In the main, I think it is a good bill, but it is not possible to consider it properly on the floor of the House. Everyone familiar with our procedure here knows that. I think if a chance is given to have hearings on the bill and it is given intelligent consideration that in the main it will be found to be all right.

If the House will lay aside politics and follow the course of precedent, wisdom, and fairness, and send the bill back to the committee for further consideration, I will approve holding immediate hearings and giving the bill prompt consideration.

I appeal to the better judgment of my friends on the Democratic side of this Chamber, many of whom I know are really interested in securing the enactment of legislation that will provide a better method of settling disputes between the railroads and their employees. Let us not do or attempt to do anything here that will be futile. Let us not try to play politics with the railroad men. Let us try to pass a bill through the House that will pass the Senate and receive the President's approval. If this bill can be returned to the committee for hearings, I venture the assertion that it will be fairly considered, those whose interests are involved can be heard, the legislation will be more carefully considered, and the interests of the railroad men and of the country will be better promoted and we may then pass a law that the President will approve. [Applause.]

ADJUSTED COMPENSATION BILL

Mr. GREEN of Iowa. Mr. Speaker, I call up the conference report on H. R. 7959, the veterans' adjusted compensation bill.

The SPEAKER. The gentleman from Iowa calls up a conference report, which the Clerk will report.

Mr. GREEN of Iowa. Mr. Speaker, I ask unanimous consent that the statement be read instead of the report.

The SPEAKER. The gentleman from Iowa asks unanimous consent that the statement be read instead of the report. Is there objection? [After a pause.] The Chair hears none.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7959) to provide adjusted compensation for the veterans of the World War, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2, 4, 7, 21, 34, 35, 36, 47, and 48.

That the House recede from its disagreement to the amendments of the Senate numbered 3, 5, 6, 8, 9, 9½, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 22, 23, 24, 25, 27, 28, 29, 30, 31, 32, 33, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 49, 51, 52, 53, 57, 58, 59, 60, 63, 64, 65, 66, 67, 68, 69, 70, 71, 73, and 74, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: Omit the matter proposed to be inserted by said amendment and on page 4, line 24, of the House bill strike out "or"; and on page 5, line 9, strike out the period, insert a semicolon and the word "or"; and on page 5, after line 9, insert the following paragraph: "Any individual who was discharged or otherwise released from the draft—for the period of service terminating with such discharge or release" and a period; and the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by said amendment insert the following: "March 1, 1925" and a comma; and the Senate agree to the same.

Amendment numbered 50: That the House recede from its disagreement to the amendment of the Senate numbered 50, and agree to the same with an amendment which, in addition to the language stricken out by the Senate amendment, strikes out, on page 17, line 13, of the House bill, the following: "either (1)"; and the Senate agree to the same.

Amendment numbered 54: That the House recede from its disagreement to the amendment of the Senate numbered 54, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by said amendment insert the following: "(as soon as practicable after receipt of an application in accordance with the provisions of section 604, but not before March 1, 1925)"; and the Senate agree to the same.

Amendment numbered 55: That the House recede from its disagreement to the amendment of the Senate numbered 55, and agree to the same with an amendment which restores the language of the House bill except the words "upon him for support" appearing on page 21, in lines 4 and 5 of the House bill; and the Senate agree to the same.

Amendment numbered 56: That the House recede from its disagreement to the amendment of the Senate numbered 56, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by said amendment insert the following: "(2) The widow or widower shall be presumed to have been dependent upon the veteran upon showing by them, respectively, the marital cohabitation; the father and mother, respectively, shall submit under oath a statement of the dependency, to be filed with the application" and a period; and the Senate agree to the same.

Amendment numbered 61: That the House recede from its disagreement to the amendment of the Senate numbered 61, and agree to the same with an amendment as follows: On page 7 of the Senate engrossed amendments, line 8, after "veteran" insert "on or"; and the Senate agree to the same.

Amendment numbered 62: That the House recede from its disagreement to the amendment of the Senate numbered 62, and agree to the same with an amendment as follows: On page 8 of the Senate engrossed amendments, line 4, strike out the period, insert a comma and the following: "together with the facts of record in the department upon which such above conclusions are based" and a period; and the Senate agree to the same.

Amendment numbered 72: That the House recede from its disagreement to the amendment of the Senate numbered 72, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by said amendment insert the following: "For the administration of the provisions of this act, the President may except from the operation of section 4c of the act entitled 'An act for making further and more effectual provision for the national defense, and for other purposes,' ap-

proved June 3, 1916, as amended, or of any act amendatory thereof or supplemental thereto, not more than seven officers of the Army" and a period; and the Senate agree to the same.

W. R. GREEN,
W. C. HAWLEY,
ALLEN T. TREADWAY,
JNO. N. GARNER,
Managers on the part of the House.

CHARLES CURTIS,
JAMES E. WATSON,
GEO. P. McLEAN,
F. M. SIMMONS,
DAVID I. WALSH,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7959) to provide adjusted compensation for the veterans of the World War, and for other purposes, submit the following written statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The following amendments are clerical changes, and the House recedes: 9½, 11, 13, 18, 27, 29, 32, 40, 58, 67, 68, 69.

On amendment No. 1: This amendment excludes from the term "veteran" any individual who was discharged or otherwise released from the draft. The House bill contained no such provision; and the House recedes with a clarifying amendment and inserts the amendment at the proper place in the bill.

On amendment No. 2: This amendment provides that in the case of a member of the Porto Rico Regiment of Infantry, service in the Panama Canal Zone shall be considered as oversea service. The House bill contained no provision upon this subject; and the Senate recedes.

On amendments Nos. 3, 4, 5, and 6: The House bill provided that in computing the adjusted service credit no allowance shall be made to a cadet of the Coast Guard, a Philippine Scout, a member of the Porto Rico Regiment of Infantry, and a female yeoman of the Navy or the Marine Corps, respectively. Amendment No. 3 extends the House provisions to a cadet engineer of the Coast Guard; amendments Nos. 4, 5, and 6 strike out the House provisions in the case of a Philippine Scout, a member of the Porto Rico Regiment of Infantry, and a female yeoman of the Navy or Marine Corps, respectively. The House recedes on amendments Nos. 3, 5, and 6, and the Senate recedes on amendment No. 4. The result of this action is to give the benefits of the act to members of the Porto Rico Regiment of Infantry and female yeoman, and to exclude cadet engineers of the Coast Guard and Philippine Scouts.

On amendment No. 7: The House bill provided that in computing the adjusted-service credit no allowance shall be made to any member of the Public Health Service—for any period during which he was not detailed for duty with the Army and Navy. The Senate amendment excluded any member of the Public Health Service, irrespective of whether he was detailed for duty with the Army or Navy; and the Senate recedes.

On amendment No. 8: This amendment is a change in a subheading; and the House recedes.

On amendment No. 9: This amendment strikes out surplus language of the House bill and inserts "(hereinafter referred to as the 'director')" where the first reference is made to the Director of the United States Veterans' Bureau; and the House recedes.

On amendment No. 10: This amendment strikes out surplus language; and the House recedes.

On amendment No. 12: This amendment requires the Secretary of War or the Secretary of the Navy to transmit the facts of record in his department upon which his conclusions in respect of the application of a veteran are based. The House bill contained no such provision; and the House recedes.

On amendments Nos. 14, 15, 16, 17, and 19: The House bill provided three agencies, namely, the Secretary of War, the Secretary of the Navy, and the Director of the United States Veterans' Bureau, to administer the act and pay the benefits provided in the bill. The Senate amendments to the bill make the Director of the United States Veterans' Bureau the agency through whom the benefits are to be paid, and confine, as far as possible, the general administration of the act to the director. The foregoing amendments relating to publicity are necessary in carrying out this policy; and the House recedes.

On amendment No. 20: The House bill provided for publicity to inform veterans of their rights under the act. The Senate amendment extends this publicity to dependents; and the House recedes.

On amendment No. 21: The House bill provided that the findings of the Secretary of War and the Secretary of the Navy as to the number of days of service in the military and naval forces of the veteran shall not be subject to review by the General Accounting Office. The Senate amendment strikes this provision from the bill; and the Senate recedes.

On amendments Nos. 22, 25, 28, 30, 31, 59, 60, 64, and 65: These amendments conform with the action of the conferees as explained in amendment No. 14; and the House recedes.

On amendments Nos. 23 and 66: The House bill exempted from attachment and taxation sums payable to veterans and to dependents of veterans under sections 308 and 607, respectively. The Senate amendments combine these provisions; and the House recedes.

On amendments Nos. 24 and 63: The House bill provided penalties for the collection of unlawful fees from veterans under section 309 and similar penalties in the case of dependents under section 605. The Senate amendments combine these provisions; and the House recedes.

On amendment No. 26: The House bill provided that payment, in the case of those entitled to cash, should be made as soon as practicable, but not before the expiration of nine months after the enactment of the act. The Senate amendment makes July 1, 1925, the date upon which such payments should begin; and the House recedes with an amendment changing the date to March 1, 1925.

On amendment No. 33: This amendment eliminates fractional parts of a dollar from the face value of the adjusted service certificate; and the House recedes.

On amendments Nos. 34, 35, and 36: The House bill provided that the adjusted service certificates shall be dated on the first day of the month in which the application is filed, but in no case before January 1, 1925. The Senate amendments made the date July 1, 1925; and the Senate recedes on these amendments.

On amendments Nos. 37 and 41: The House bill provided that the rate of interest charged upon a loan by the bank shall not exceed by more than 2 per cent the rate charged at the date of the loan for the discount of commercial paper, under section 13 of the Federal reserve act by the Federal reserve bank for the Federal reserve district in which the bank is located. The Senate amendment, for the purpose of definiteness, provides that the rate for 90-day commercial paper is the one to be followed in reckoning the interest rate; and the House recedes on both amendments.

On amendment No. 38: The House bill provided that upon the indorsement of any bank and subject to regulations to be prescribed by the Federal Reserve Board, any such note secured by a certificate and held by a bank shall be eligible for discount or rediscount by the Federal reserve bank for the Federal reserve district in which the bank is located. The Senate amendment provides that the indorsement shall be deemed a waiver of demand, notice, and protest by such bank as to its own indorsement exclusively; and the House recedes.

On amendment No. 39: This amendment makes a clerical change for purposes of clarity; and the House recedes.

On amendment No. 42: The House bill provided that any such note secured by a certificate may be offered as collateral security for the issuance of Federal reserve notes under the provisions of section 16 of the Federal reserve act. The Senate amendment strikes out this provision; and the House recedes.

On amendment No. 43: The House bill authorized the Federal Reserve Board to permit a Federal reserve bank to rediscount, for any other Federal reserve bank, notes secured by a certificate. The Senate amendment broadens this provision so as to require member banks to rediscount the notes on the affirmative vote of at least five members of the Federal Reserve Board; and the House recedes.

On amendments Nos. 44, 45, and 46: These amendments are clerical changes for the purpose of clarity; and the House recedes.

On amendments Nos. 47 and 48: Subdivision (c) of section 502 of the House bill provided that the notes of the veteran during the time they are held by the director shall pay interest at the rate of 6 per cent, compounded annually, in order to insure the redemption of the notes upon maturity. Subdivision (d) made provision for the redemption of the notes in the event of the death or failure of the veteran to redeem same before the certificate matures, applying the same rule in respect of interest. The Senate amendments strike out the compound-interest requirement; and the Senate recedes on both amendments.

On amendment No. 49: This amendment is a clerical change for the purpose of clarity; and the House recedes.

On amendment No. 50: The House bill provided that the loan basis of any certificate shall be an amount which is not in excess of either (1) 90 per cent of the reserve value of the certificate on the last day of the current certificate year, or (2) 60 per cent of the face value of the certificate. The Senate amendment strikes out the 60 per cent limitation; and the House recedes with an amendment making a clerical change.

On amendment No. 51: This amendment is a clerical change for the purpose of clarity; and the House recedes.

On amendment No. 52: This amendment inserts a subheading; and the House recedes.

On amendment No. 53: The House bill provided that if the United States has not made or is not obligated to make any payments to any person on account of the death of a veteran (either as compensation under the war risk insurance act, or as insurance under such act), the dependents of the veterans should be entitled to the benefits of the bill. The Senate amendment removes this limitation; and the House recedes.

On amendment No. 54: The House bill provided for the payment of the adjusted service credit to the dependent of a veteran in the event of his death in an order or preference named in the bill without stating the time for payment. The Senate amendment provides that payment shall be made as soon as practicable after receipt of an application, but not before the expiration of nine months after the enactment of this act; and the House recedes with an amendment providing that payment shall not be made before March 1, 1925.

On amendment No. 55: The House bill provided that no payment shall be made to any individual under Title VI unless at the time of the death of the veteran such individual was dependent upon him for support. The Senate amendment struck out this provision; and the House recedes with an amendment reinstating the language of the House bill with the exception of the words "upon him for support."

On amendment No. 56: The House bill provided that the widow, widower, father, or mother of the veteran shall be presumed to have been dependent upon him at the time of his death upon filing an affidavit to that effect with the application. The Senate amendment presumed dependency in the case of a widow or widower upon showing marital cohabitation, and required the father or mother to submit a statement under oath of the facts of the dependency, together with the affidavit of one or more disinterested persons having knowledge thereof. The House recedes with an amendment which presumes the father or mother to be dependent upon submitting a statement under oath with the application.

On amendment No. 57: This amendment inserts a subheading; and the House recedes.

On amendment No. 61: The House bill provided that an application by the dependent shall be made on or before January 1, 1928, and if not made on or before such date shall be held void. The Senate amendment broadens this provision so as to allow the dependent six months to file application after the death of the veteran if he had failed to make application six months prior to the date fixed; and the House recedes with an amendment making a clerical change.

On amendment No. 62: The House bill provided for the transmittal of the application from the Secretary of War or the Secretary of the Navy to the director in the case of a veteran, but made no such provision in the case of a dependent. The Senate amendment inserts a new section to take care of the dependent; and the House recedes with an amendment adding additional language to make the provisions uniform in each case.

On amendments Nos. 70 and 71: The House bill provided that, with the exception of such special experts may be found necessary for the conduct of the work, the appointments made under this act shall be subject to the civil service laws, but for the purposes of carrying out the provisions of section 305 such appointments may be made without regard to such laws, until the services of persons duly qualified under such laws are available. The Senate amendments confine the appointments to those entitled under the civil service laws; and the House recedes.

Amendment No. 72: The Senate amendment provides that the Senate may except not more than seven officers of the Army from the provisions of the national defense act, as amended, with reference to detail with troops, for the purpose of carrying out the administrative provisions of this act; and the House recedes with an amendment making a clerical change.

On amendments 73 and 74: These amendments strike out surplus language; and the House recedes.

W. R. GREEN,
W. C. HAWLEY,
JNO. N. GARNER,
ALLEN T. TREADWAY,
Managers on the part of the House.

Mr. GREEN of Iowa. Mr. Speaker, I notice a misprint in the statement with reference to the very last amendment, No. 72. It states that—

> The Senate amendment provides that the Senate may except not more than seven officers of the Army from the provisions of the national defense act—

And so forth.

That is giving more credit to the Senate than should be given. It should be "President" instead of "Senate." It is correctly printed in the bill.

Mr. McKENZIE. Will the gentleman yield?

Mr. GREEN of Iowa. Yes.

Mr. McKENZIE. I desire to call attention to amendment No. 6 on page 4 of the bill. The House bill provided that "Indian scout, female yeomen of the Navy, or female marine of the Marine Corps" should be excluded from the benefits of this law. I desire to ask the chairman of the conference committee whether the force of the Senate amendment is that these particular yeomenettes shall be included in the bonus.

Mr. GREEN of Iowa. Yes; that is the effect of the amendment. The reason why my colleagues on the conference were persuaded to agree to that was because, under the provisions of the bill as agreed to by both Houses, which we could not change, there were yeomen of the Navy in exactly the same situation as these women who would receive the benefits of the bonus.

Mr. McKENZIE. Will the gentleman yield me two minutes?

Mr. GREEN of Iowa. Later on; yes.

Mr. McKENZIE. Right on this point.

Mr. GREEN of Iowa. Right now?

Mr. McKENZIE. Yes; while we are discussing this matter.

Mr. BLANTON. Will the gentleman from Iowa yield for a question before the gentleman from Illinois commences his discussion?

Mr. GREEN of Iowa. I will yield to the gentleman from Illinois later.

Mr. BLANTON. Will the gentleman yield to me?

Mr. GREEN of Iowa. Yes.

Mr. BLANTON. The gentleman spoke of not wanting to give too much credit to another body. I notice 74 amendments by another body, and yet the gentlemen whom we sent to conference receded as to 57 amendments.

Mr. GREEN of Iowa. It is quite true we receded on the greater number of amendments, but it is also true that the Senate receded on the really important amendments.

Mr. GARNER of Texas. Out of 57 amendments there are 47 clerical amendments.

Mr. GREEN of Iowa. Yes; that is true; they are simply slight changes in the wording, the combination of sections, the insertion of new headings, or something of that kind, which amounts to nothing whatever.

Mr. BLANTON. I was not criticizing the gentleman, because I was in a conference not long ago where we had to recede on 67 amendments in order to get an agreement.

Mr. CHINDBLOM. Will the gentleman from Iowa yield?

Mr. GREEN of Iowa. I will yield to the gentleman from Illinois.

Mr. CHINDBLOM. It is a fact, is it not, that a large number of these clerical amendments, as to which the House receded, were due to the change made by the Senate placing the administration of this measure more in the hands of the Director of the Veterans' Bureau than in the officers of the Army and Navy?

Mr. GREEN of Iowa. The gentleman is quite right as to that. I trust I will not infringe on the rules of the House or cause any astonishment or heart failure on the part of any of the Members when I say that when the Senate inserted the provision which put all of the administration of this act under the Veterans' Bureau the conferees on the part of the House, upon examining it, at once came to the conclusion that it was really a good amendment, and agreed to it.

Mr. WINGO. I notice on page 6 of the statement just read, amendment 43, you state that the Senate amendment broadens this provision so as to require member banks to rediscount the

notes on the affirmative vote of at least five members of the Federal Reserve Board; that is an error, is it not?

Mr. GREEN of Iowa. An error in what way? The original provision as carried in the House bill simply provided that these notes might be discounted. The Senate inserted a provision, to which we agreed, which authorized on the affirmative vote of at least five members of the Federal Board that the bank be directed to rediscount them.

Mr. WINGO. The gentleman does not catch the point. The statement is that the Federal Reserve Board can control a member bank, when you mean a Federal reserve bank. Your statement is in error, but your bill is all right.

Mr. GREEN of Iowa. I think the gentleman, speaking technically, is correct.

Mr. WINGO. No; I did not want that impression to go out, because we have proposals asking us to permit the Federal reserve bank to require a member bank—that is, the initial bank down in the home town—to make a loan; and, of course, I know the gentleman would not want to say that you can make a bank in his home town, through a bureau here in Washington, pass on whether or not they should make such a loan. Clearly, it should be the Federal reserve bank.

Mr. HAWLEY. That is the language in the act.

Mr. WINGO. As I understand, the conferees have agreed also on a proposition which will prevent a loan, which has one of these certificates as security, ever being the basis of a Federal reserve note issue.

Mr. GREEN of Iowa. The gentleman is correct. That is one of the Senate amendments to which the conferees have agreed.

Mr. WINGO. So there can be nothing to the cry that the provisions will mean a possible inflation of the Federal reserve note issue based upon a nonliquid asset.

Mr. GREEN of Iowa. The gentleman is correct. The House conferees considered, as a practical matter, owing to the abundance of funds on hand, that that provision was not needed at all, and there were objections to it as a matter of financial policy.

Mr. WINGO. If the gentleman will permit, those who make the demagogic statement that we are discriminating against this class of paper are either ignorant or not acquainted with the facts. The truth of the business is there is a great deal of paper that is just as prime as this that it was never contemplated should be the basis of a note issue, and it will not be necessary to have that privilege for this class of notes in order for the soldier boys to get every privilege intended under the law, because a member bank that has this note of the soldier, if it finds it needs additional funds, certainly has plenty of prime commercial paper that is a liquid asset that it can take up and rediscount and get Federal reserve notes, even for the purpose of making loans to the soldiers. So there is no necessity for the full benefit of this act to give to this class of paper a note issue basis.

Mr. GREEN of Iowa. That is the view that the House conferees took of the matter.

There are just three important amendments, or perhaps only two, of very great importance. One amendment I might mention, however, that the Senate made to which the House agreed, provided that the dependents of soldiers who were killed in the war should receive the benefits of the bill. On that the House receded. It will to a considerable extent increase the amount of cash payments; that is, the payments in 10 quarterly divisions.

The other two amendments which are important are as follows: The first related to the time in which the act should go into effect. The Senate bill provided that the cash payments should not be made until July 1 of next year, 1925, and also that the certificates should not be issued until that time. The Senate conferees receded on that point and the date of the cash payment is now fixed at March 1, which is believed to be as soon as the officers can get ready to make them, and the date when the certificates shall be issued is January 1. The point is to have this matter finally settled in the bill.

The other important matter related to the allowance of compound interest upon the notes of the veterans that were taken up by the Veterans' Bureau after being held by the bank six months. The conferees of the House believed this to be a very important provision in order that these notes might be a proper investment for the sinking fund, and also as the veterans were allowed compound interest in computing the amount of insurance it was thought proper that compound interest should be allowed the Government on these notes, and the Senate receded on that.

There was one other amendment we had a little difficulty about, and that was as to whether the accounting office should have the right to review the decisions of the Secretary of War and the Secretary of the Navy as to the amount and extent of the service of the veterans, and, consequently, determine the amount of the insurance policy or the amount of the cash payment, as the case might be. The House bill originally carried a provision that this decision of the Secretary of War or the Secretary of the Navy was not subject to review by the accounting office. The Senate struck that out, and we were not able to agree upon it on the first day. Afterwards the clerk of the committee called my attention to the fact that the provisions in the House bill were copied from the former bill; that it had not been in the former bill when it was first passed by the House, but was put in at the insistence of the Senate conferees. In other words, the Senate was now insisting on a matter when heretofore they had insisted exactly to the contrary. When that was discovered we did not have very much difficulty in agreeing on that point.

Mr. STEPHENS. How did you agree?

Mr. GREEN of Iowa. The Senate receded.

Mr. GRAHAM of Illinois. I observe in the conference report that the female yeomen are now given the benefit of this act. Also, on page 22 of the bill, amendment 56, it seems that a rule applicable to them is introduced providing that the widower of such a female yeoman entitled to the benefit under this act would be presumed to have been a dependent. Is that what the committee has decided?

Mr. GREEN of Iowa. That was a provision in the Senate bill which we regarded of no importance, as we are not aware that there are any in such position. This would apply only, if the gentleman will remember, to such of the female yeomen as died during the war. They were not on the battle field and not in any place of very great danger.

Mr. GRAHAM of Illinois. Then why put in the provision for the widower?

Mr. GREEN of Iowa. That is a general provision, and relates to all dependents. It was necessary in the original House bill.

Mr. GRAHAM of Illinois. What other females were there?

Mr. GREEN of Iowa. Army nurses and others.

Mr. GRAHAM of Illinois. The committee agreed to establish the principle that the husband should be deemed their dependent. That is surely equalizing rights.

Mr. GARNER of Texas. In the first place, the yeomanettes ought never to have been in here. The gentleman knows that the field clerks get more money, and when we came to argue it we had to yield——

Mr. GRAHAM of Illinois. Can the gentleman state how much this is going to cost?

Mr. GARNER of Texas. A small sum. Does the gentleman regard this as a debt owed by the Government, or is it a gratuity?

Mr. GRAHAM of Illinois. I do not believe I care to go on record as to that. [Laughter.]

Mr. GARNER of Texas. If it is a debt, the widower is as much entitled to it as the beneficiary.

Mr. GRAHAM of Illinois. I do not like to establish the principle that a man is wholly dependent on a woman.

Mr. GREEN of Iowa. Mr. Chairman, I yield five minutes to the gentleman from Illinois [Mr. McKENZIE].

Mr. McKENZIE. Mr. Speaker and gentlemen of the House, as one of the men in this House who has stood consistently from the beginning for granting adjusted compensation to the veterans of the World War, I rise to express my protest against amendment No. 6, put into the bill by the Senate and agreed to by the conferees on the part of the House. War has demonstrated that certain people benefit from it, while others make sacrifices. The soldiers of our country, in my judgment, made great sacrifices, and the sole purpose of this legislation is to recompense through adjusted compensation what the Government owed to these soldiers of our Army who sacrificed, while, on the other hand, the yeomanettes and the marinettes, with all due respect to their character, received more compensation as a general rule than they ever received in their lives before. Consequently they did not suffer in reduction of pay.

Mr. GREEN of Iowa. Mr. Speaker, will the gentleman yield?

Mr. McKENZIE. Yes.

Mr. GREEN of Iowa. We made further examination into that matter, and the reports from the War and the Navy De-

partments in many cases showed that they received less pay than they had received before.

Mr. McKENZIE. It may be that some of them did, but most of them received more pay than they ever received before, and in addition obtained allowances for their families living in Washington, Philadedphia, and elsewhere. I have tried to be consistent. I have opposed the payment of adjusted compensation to yeomanettes and marinettes from its inception. It is wrong to impose upon the taxpayers of this country the payment of the bonus to people who received more through the war than they ever received before, and I say here to-day that as an advocate of the bonus I can see only one purpose that this amendment can serve, and that is to give the President of the United States a just ground on which to veto the bill. I have hoped for this legislation. I have hoped that he would sign it, but the man who succeeded in getting this amendment into this bill has laid a foundation that is solid for the President to stand upon in exercising the veto power. When I think of the soldiers serving for $30 a month and think of these people getting from $900 up a year as yeomanettes here in Washington, receiving more in the first instance, Mr. Speaker, than many of the soldiers will receive when their compensation is adjusted, I feel that the term "adjusted compensation" means but little, and I must therefore conclude, that it is nothing more or less than a further scheme to hold up the people of this country in that one particular, when we are sincerely trying to do something for the soldiers of this country.

Mr. GREEN of Iowa. Mr. Speaker, I yield to the gentleman from Texas [Mr. GARNER].

Mr. GARNER of Texas. Mr. Speaker, let me say in reply to the gentleman from Illinois [Mr. McKENZIE], as I stated a moment ago, I do not think the yeomanettes ought to be in this bill; but there is a greater defense for putting the yeomanettes in than there was for putting the field clerks in, a good portion of whom came from the offices about this Capitol, and I think that is one reason why they are included in the bill. I do not believe you can defend the proposition of including within the provisions of this bill a young man who went to France and who did not have an opportunity to be killed. He got more money as a field clerk than he was getting here in Washington. The gentleman himself [Mr. McKENZIE] put the field clerks in this bill, and I think he is somewhat estopped from making the statement as to the hold-up which he claims to exist on account of including the yeomanettes.

I want to say one word about another amendment that is of more importance than all of the other amendments we have considered. The Senate struck out the provision in the House bill that interest at the rate of 6 per cent per annum, compounded annually, should be charged on notes given by a veteran to secure a loan made by a bank. The Senate receded from that amendment. If the amendment had remained in the bill, it would have cost us two or three hundred million dollars more for this legislation, in my judgment, because the soldier would have gotten his loan at the end of 3 years and carried it for 17 years, and by the time we got to the seventeenth year he would be paying about 2¾ per cent.

Mr. MORTON D. HULL. Mr. Speaker, I rise to ask a question of the gentleman from Iowa. There are to be included within the bill now dependents of those who were killed or who died of disease in the war?

Mr. GREEN of Iowa. Yes.

Mr. MORTON D. HULL. What will be the additional financial requirement to meet that item?

Mr. GREEN of Iowa. I can only make a guess as to the additional amount, and, in fact, nobody knows anything more than they could guess, because in the first place we have no idea what proportion of these men have dependents, but we do know, of course, that the most of them were not married. Probably not more than 20 per cent of them were married, and there would be only a small proportion who would have dependents. We can not tell how much service they had, and there is no way of figuring it at this time. There is nothing in the records of the department to tell how much service they had.

My guess would be it might take perhaps $30,000,000, which divided by 10——

Mr. GARNER of Texas. The better estimate would be one-fourth of 45, which would be from ten to fifteen million dollars.

Mr. GREEN of Iowa. Somewhere along there; it is nothing but a guess. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

The question was taken, and the conference report was agreed to.

CHILD-LABOR CONSTITUTIONAL AMENDMENT

Mr. BRAND of Georgia. Mr. Speaker, I ask unanimous consent to proceed for five minutes.

The SPEAKER. The gentleman from Georgia asks unanimous consent to proceed for five minutes. Is there objection?

Mr. BEGG. Mr. Speaker, on what subject?

Mr. BRAND of Georgia. Well, it is not a political subject. It is an explanation of my vote on the child-labor amendment. I spoke to Mr. LONGWORTH in regard to it and he made no objection.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

Mr. BRAND of Georgia. Mr. Speaker, I ask unanimous consent to extend my remarks.

The SPEAKER. The gentleman from Georgia asks unanimous consent to extend his remarks. Is there objection? [After a pause.] The Chair hears none.

Mr. BRAND of Georgia. Mr. Speaker, in the first one of the Letters of Junius the author says:

> The ruin or prosperity of a State depends so much upon the administration of its government that, to be acquainted with the merit of a ministry, we need only observe the condition of the people. If we see them obedient to the laws, prosperous in their industry, united at home, and respected abroad, we may reasonably presume that their affairs are conducted by men of experience, ability, and virtue. If, on the contrary, we see a universal spirit of distrust and dissatisfaction, a rapid decay of trade, dissensions in all parts of the empire, we may pronounce without hesitation that the government of that country is weak, distracted, and corrupt.

The letter from which this excerpt is quoted was written 155 years ago, and yet it announces an axiom which was true then and is true now.

I am strongly against the pending resolution because I am firmly convinced if ratified into law it will create in my district and State—and I believe in all the agricultural States—a spirit of distrust and dissatisfaction; that it will disturb the peaceful relations, the happiness and well-being of the agricultural classes, and reduce to involuntary servitude the children of the working people and the poor people of both races and both sexes. [Applause.]

I am not against child-labor laws, but heartily in favor of State laws which have been enacted and which may hereafter be enacted having in view the welfare of children. Sincerely entertaining this view in regard to the protection of children against improper employment and service, and yet, being intensely opposed to this resolution, I feel it my duty in justice to myself and my constituents to explain the reasons why I am opposed to this resolution.

The Georgia law upon this subject is satisfactory to the people of my district and State. At least, I have never heard anything to the contrary. The Georgia law provides that no child under the age of 14 years shall be employed by or permitted to work in or about any mill, factory, laundry, manufacturing establishment, or place of amusement, except that children over 12 years of age who have widowed mothers dependent upon them for support or orphan children over 12 years of age dependent upon their own labor for support may work in factories and manufactories.

The Georgia law further provides that no child under 14 years and 6 months of age shall be permitted to work in or about any of the establishments mentioned between the hours of 7 p. m. and 6 a. m.

Statistics show that the Georgia law as to the prohibitive age is in consonance with practically all the States of the Union, 46 of the 48 having adopted laws regulating child labor, 42 of which puts the maximum age at 14, 5 at 15, and 1 at 16.

The pending resolution provides:

> The Congress shall have power to limit, regulate, and prohibit the labor of persons under 18 years of age.

I concede to Members of Congress supporting this resolution and to all of the good women who have sponsored the movement good faith and honesty of conviction in their support of the proposition that Congress should be given the right to regulate, control, and prohibit the labor of children under 18 years of age, yet if Congress is thus empowered it remains for the

future to decree whether our children shall remain free or be reduced to servile employment.

I believe in the States controlling this question without interference on the part of the Federal Government. If a State desires to increase the age limit of children, this is its privilege and is no concern of Congress or the Federal Government. I resent this resolution because it is a deliberate attempt to impair the rights of the States. I am opposed to parents being forced to take orders from Washington and the Federal Government or being dictated to by Federal agents in regard to the services and custody of their minor children. I do not believe that there is a single family in my district whose parents would be willing to yield their rights to the control of their sons and daughters under 18 years of age to the Federal Government and its Federal agents.

Neither do I believe that the framers of the Constitution of the United States ever contemplated that the parents of this country, so far as the control of the labor of their children under 18 years of age is concerned, should ever be required to yield to Federal authority this God-given privilege or that this right of the people should ever be diminished, impaired, or controlled from Washington.

I am unalterably and eternally opposed to the enactment of any law which authorizes the Federal Government to send its agents and officers into the homes of the people when no law is being violated to dictate to the fathers and mothers of the Nation whether their children should work, when they should work, where and for whom they should work, and what character of work they should perform. This is none of the Government's business so long as the child-labor laws of the State are wise and just to minors and are being obeyed.

I have an intense fear for the liberty of the home, the freedom of its inmates, and the rights of the parents if this resolution becomes a part of the Constitution of this country. I am opposed to its adoption because it is against the spirit of the Constitution of this country; it destroys one of the fundamental rights of the States; it will work a hardship upon both races of our people, black and white alike; it substantially destroys the rights of the parents of the control of their children; it seriously impairs the rights and liberties of the children themselves; and because control of the children will be directed from a bureau in Washington by a Federal agency, hundreds of miles from the homes of the people, by persons who are rank strangers, and not only unsympathetic with the people but likely to be autocratic in the exercise of their power.

The children whose parents consent for them to receive the proceeds of their own labor will probably lose this privilege by the absorption of it on the part of the Federal Government. This proposition to control children under 18 applies not only to both the white and colored races but to both sexes, boys and girls alike, and implies loss of custody of their persons by the parents and assumption thereof by the Government, which, to my mind, is one of the vulnerable phases of this legislation.

It will create anxiety, mental anguish, and suffering on the part of the mothers and fathers of children.

I am afraid if enforced strictly, as it will likely be, the law will be disobeyed, conflicts between the citizens and Federal agents will ensue, and the Federal courts will be filled with indictments. It will upset the labor conditions in my State, and I believe in all the cotton-growing States, among the laboring people of both races. More than any other section of our country this legislation will more injuriously affect the agricultural sections of the South. It will substantially cripple, if not destroy, the labor conditions of my district and State by driving the boys of both races from the farms and the homes of the cotton growers.

It will likely bring about an era of idleness on the part of boys under 18 years of age of both races, particularly of the colored people; and if so, it may result in Congress having to establish a new bureau, which will carry with it the creation of thousands of new jobs and untold expenses to the taxpayer and to pass new laws carrying millions of appropriations annually to take care of the idle and unemployed.

Members of Congress supporting this resolution showed what was in their minds and how they felt toward the people of the agricultural sections when they voted down an amendment offered to confine the age limit to 16, and likewise did so when they voted down an amendment providing that Congress should pass no law controlling the labor of any minor in the home and on the farms of the parents or on the premises or farms where they reside.

I never did believe until I witnessed it that there would be a single Member of Congress to vote for a proposition to take away from the girls and boys of this country under the age of 18 years the right to work in their own homes for their own parents and in the places of business and the farms of their fathers, and yet this is exactly what happened. I shall never believe that any father of my district and State would ever consent to the exercise of such tyrannical authority. I do not believe there is a mother of my district or State who would look upon such a proposition with the slightest degree of patience and sympathy; but, on the contrary, would abhor such a suggestion. I can not for the life of me see how any Member of Congress, who has any compassion for the working people or pity for the poor, can get his consent to support such a monstrous proposition. [Applause.]

Thomas Paine, in his Rights of Man, speaking of the duty of man, says "the duty of man is not a wilderness of turnpike gates, through which he has to pass by ticket from one point to the other. It is plain and simple, and consists of but two points. His duty to God, which every man must feel; and with respect to his neighbor, to do as he would be done by." This is another way of expressing the immortal doctrine of the Golden Rule, first put forth on the plains of Palestine over 20 centuries ago. I hold that this doctrine applies to me as a Member of Congress as well as a man. This has been my creed during my whole public career. I have done my best to keep the faith. [Applause.]

REORGANIZATION OF FOREIGN SERVICE

Mr. LOZIER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the Rogers Diplomatic and Consular measure.

The SPEAKER. The gentleman from Missouri asks unanimous consent to extend his remarks in the manner indicated. Is there objection? [After a pause.] The Chair hears none.

Mr. LOZIER. Mr. Speaker, availing myself of leave granted to extend my remarks in the RECORD, I regret that I can not at this time consistently vote for the pending bill (H. R. 6357), which provides for a reorganization of our foreign consular and diplomatic service. I concede that such a reorganization as this bill proposes is needed, and under different circumstances would be entirely justified. But in governmental matters we can not always reorganize bureaus, commissions, and departments, even when such reorganization would promote greater efficiency, because we must always consider the cost of such reorganization and determine whether or not conditions justify us in incurring such additional expense. This measure increases the salary list at a time when the business affairs of the Nation are far from satisfactory. Existing economic conditions suggest strict economy and retrenchment in governmental expenses.

The committee reports that this bill will increase the cost of our Diplomatic and Consular Service $495,500. If the post allowances are abolished this amount will be reduced to $345,500, but in any event this bill, if enacted, will probably increase the annual expense of our foreign service approximately one-half million dollars. In prosperous times this increase might probably be justified, but in view of the nation-wide demand for reduction of taxation and economy in public expenses, it seems to me that this is not an opportune time to add a third or a half million dollars to the Budget of our national expense. By adopting this bill we add to the tax burden, postpone or limit tax reduction, and establish a salary basis that will never be reduced, but which will probably be increased from year to year.

Why not postpone this reorganization and increase of salaries until economic conditions have improved? Why not wait until the farmers get out of their present financial predicament? The reasons urged for the reorganization of our foreign service are persuasive but not entirely convincing. Conditions will not permit us to reorganize every department of our Government when such reorganization may be considered advisable. Under present conditions we must not enter upon a general salary-raising policy. Every department of our Government is clamoring for an increase in salary allowance. Evey bureau or commission argues that it could function more efficiently if given more employees at higher salaries. There must be an end to this policy of multiplying the number of employees and increasing salaries.

Why not try to get along with our foreign service as now constituted until the country becomes prosperous and business conditions justify increasing the personnel and salaries in our Consular and Diplomatic Service? Moreover, unless this Government makes an earnest and aggressive effort to enlarge our world markets for our farm commodities, I see no occasion for spending any more money on our Consular Service than is now being expended for that purpose. We maintain this Consular Service, in theory at least, to supervise and extend

our markets and to aid our citizens in their commercial operations in foreign lands.

I have neglected no opportunity to bring this Congress to a realization of the importance of finding new markets for our farm products. We must enlarge and extend our markets for our farm commodities. The prosperity and economic well-being of our agricultural classes depend very largely upon our ability to introduce our agricultural products into new world markets. In the past our manufacturers have very largely benefited from the activities of our consular officers.

Too little attention has been given to agricultural commodities. From some quarters comes the suggestion that we should now abandon our export markets for some of our chief agricultural products. If this suicidal policy is to be adopted and forced on the farmers of this Nation, I see no reason why we should enlarge or improve our Consular Service. If the farm commodities are to be denied access to the world markets, and if our consular officers are to give their time primarily to promote the sale of manufactured commodities, then I shall oppose any reorganization of the service and all increases in the salaries of consular and diplomatic officers. But if the American consuls will spend as much of their time in creating new markets for our farm commodities as they spend in creating new markets for our manufactured products, then I will favor any reasonable plan of reorganization which will promote the efficiency of the service.

DISTRICT OF COLUMBIA APPROPRIATION BILL

Mr. DAVIS of Minnesota. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 8839, the District of Columbia appropriation bill.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 8839, the District of Columbia appropriation bill, with Mr. GRAHAM of Illinois in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 8839, the District of Columbia appropriation bill, which the Clerk will report by title.

The Clerk read as follows:

A bill (H. R. 8839) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1925, and for other purposes.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

CENTRAL GARAGE

For personal services in accordance with the classification act of 1923, $4,260.

Mr. BLANTON. Mr. Chairman, I move to strike out the last word. Why is it necessary to raise the municipal garage from $3,500 to $4,260?

Mr. DAVIS of Minnesota. The increase under the reclassification act.

Mr. BLANTON. How many employees are in this central garage?

Mr. DAVIS of Minnesota. Three.

Mr. BLANTON. How many garages are maintained here for the District of Columbia?

Mr. DAVIS of Minnesota. One central garage; that is all.

Mr. BLANTON. How many cars stay in there?

Mr. DAVIS of Minnesota. Well, I can not tell the gentleman, but quite a number.

Mr. BLANTON. There is nothing in the item except reclassification increases for three men?

Mr. DAVIS of Minnesota. Not a thing.

Mr. BLANTON. I withdraw the pro forma amendment.

The Clerk read read as follows:

All apportionments of appropriations made for the use of the munipal architect in payment for the services of draftsmen, assistant engineers, clerks, copyists, and inspectors, employed on construction work provided for by said appropriations, shall be based on an amount not exceeding 2½ per cent of the amount of the appropriation made for each project.

Mr. BLANTON. Mr. Chairman, I make the point of order against the entire paragraph, beginning on page 6, line 24, and ending on page 7, line 5, as being new legislation on an appropriation bill unauthorized by law and not carried in preceding bills.

Mr. CRAMTON. Mr. Chairman, the language amounts to an allotment of money, not legislation. It says—

All apportionments of appropriations made for the use of the municipal architect in payment for the services of draftsmen, assistant engineers, clerks, copyists, and inspectors, employed on construction work provided for by said appropriations, shall be based on amounts not exceeding 2½ per cent of the amount of the appropriation made for each project.

It is an allotment amounting to a limitation. That is, the amount out of any appropriation for building purposes that shall be available for the services of the architect's office shall not exceed 2½ per cent of the appropriation.

Mr. BLANTON. Why, it is not a limitation, Mr. Chairman.

Mr. CRAMTON. Without this language it might amount to 5 per cent. Of course, it never would; but it would be discretionary, and this language cuts it down to 2½ per cent.

Mr. BLANTON. It is clearly legislation; it has not been carried in any previous appropriation bill.

Mr. DAVIS of Minnesota. I will state it is really cut down almost in two. Heretofore they were paying a great deal larger sum.

Mr. BLANTON. They ought to cut it out entirely.

The CHAIRMAN. The Chair is inclined to think this is legislation.

Mr. CRAMTON. Let me make this illustration of just how this operates: I recall a year ago we made an appropriation of $35,000 for a nurses' home. After that appropriation was made the District authorities had the right to use any part of that which was necessary in the preparation of plans for that building. The municipal architect's office has a limited number of employees, but so far as their services are available they take care of the plans.

It is the custom for the municipal architect—that has been the case very largely in the case of municipal buildings—when the work is more than his limited funds can take care of, to hire per diem employees, draftsmen, and so forth, and they are engaged, and they work upon these plans; and without this language any part of any appropriation in this bill for new construction could be used without limit in the preparation of plans. There are some school buildings provided for here, and without this language there would be no limit upon the proportion of the appropriations that may be used for the preparation of plans. This language, if it stays in the bill, is a limitation. We could very well say, each time there is an appropriation for a new building, "Not more than 2½ per cent of this appropriation shall be used in the preparation of plans." That would clearly be a limitation. But instead of including that limitation in connection with each appropriation for construction, there is this general language employed here. But it still remains a limitation, just as it would be otherwise.

Mr. BEGG. Does not the gentleman think, when we are spending $35,000 for architects, that a better plan would be to hire them on a salary instead of on a commission?

Mr. CRAMTON. That is a question of policy, entirely apart from this question of whether a certain percentage should be used in the preparation of plans. I have had that matter up with the municipal architect. Something should be done to avoid the delay that now exists. In the particular case I refer to, the Nurses' Home, it was over a year after the appropriation was made that the plans were produced. But that has nothing to do with the point of order.

The CHAIRMAN. The Chair is ready to rule. This language is general:

All apportionments of appropriations made for the use of the municipal architect in payment for the services of draftsmen, assistant engineers, clerks, copyists, and inspectors, employed on construction provided for by said appropriations, shall be based on an amount not exceeding 2½ per cent of the amount of the appropriation made for each project.

That seems to be law, a general law, establishing a basis upon which these particular employees shall be paid out of the appropriations. The Chair can well see how a limitation could be framed, but if it is to be a limitation it must be framed as a limitation. This is general legislative language. It establishes law. The point of order is sustained. The Clerk will read.

Mr. DAVIS of Minnesota. Mr. Chairman, I offer this item again. After the word "appropriations" in line 24, insert the words "herein made." Perhaps that will remedy the matter.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Minnesota.

The Clerk read as follows:

Amendment offered by Mr. DAVIS of Minnesota: Page 6, after line 23, insert "All apportionments of appropriations herein made for the use of the municipal architect in payment for the services of draftsmen, assistant engineers, clerks, copyists, and inspectors, employed on construction work provided for by said appropriations, shall be based upon an amount not exceeding 2½ per cent of the amount of the appropriation made for each project."

Mr. BLANTON. Mr. Chairman, I make the point of order that it is legislation on an appropriation bill, not authorized by law. I call the attention of the Chair to the fact that it changes the system and pays them on a percentage basis. It is one of the worst systems you can have. On a building costing $2,000,000 a percentage basis would absolutely exhaust any appropriation we can make here unless we know what we are doing. Most of these parties ought to be on an annual salary.

Mr. DAVIS of Minnesota. It is a limitation, and its purpose is to cut down what it has cost to make these plans and specifications heretofore. If you strike this out, each building will cost a quarter or a half more.

Mr. CRAMTON. Mr. Chairman, it is not the purpose to pay anyone a percentage for preparing the plans. The employees are either on a salary or per diem. The limit of cost of the plans is fixed. It is limited.

The CHAIRMAN. The Chair still believes this is legislation. If it were a limitation it should be couched in such language as this: "*Provided*, That not more than 2½ per cent shall be paid for certain specific purposes." The point of order is sustained. The Clerk will read.

Mr. CRAMTON. Mr. Chairman, I offer the paragraph again with this language: "Not more than 2½ per cent of appropriations herein made shall be available for the use," and so forth; then the balance of the paragraph down to and including the word "appropriations," in line 3 of page 7.

Mr. BLANTON. Now, that is better.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. CRAMTON: Page 6, after line 23, insert "Not more than 2½ per cent of the appropriations herein made for the use of the municipal architect"——

Mr. CRAMTON. "Not more than 2½ per cent of the appropriations herein made shall be available," and so forth.

Mr. BLANTON. You want to restrict the architect's office?

Mr. CRAMTON. If the gentleman from Texas will be quiet a moment I think we can get this right.

The Clerk read as follows:

Not more than 2½ per cent of the appropriations herein made shall be available for the use of the municipal architect in payment for the services of draftsmen, assistant engineers, clerks, copyists, and inspectors employed on construction work provided for by said appropriations.

Mr. BLANTON. Mr. Chairman, I make the point of order that the amendment is subject to a point of order, for this reason: If the Chair will look at that language closely, he will see that the purpose of this amendment is to make available 2½ per cent of all the appropriations made in this bill, or, in other words, of the full $24,000,000 for this office alone.

Two and a half per cent is not confined to the appropriations for the architect's office. I tried to call the attention of the gentleman from Michigan [Mr. CRAMTON] to that point, but he would not let me. The words "appropriations for the municipal architect's office" ought to be in there, and not make the appropriations in the entire bill applicable to this one item. There is no authority of law for that.

Mr. CRAMTON. They are limited to those employed on construction work.

Mr. BLANTON. It should be of the "appropriations for the municipal architect's office." Those words ought to be in there.

The CHAIRMAN. The Clerk has shown me the amendment, and those words are in the paragraph.

Mr. BLANTON. May we have the Clerk report the amendment again, and I think my point will appeal even to the gentleman from Michigan.

The CHAIRMAN. The Clerk will report the amendment again. The Chair understands that language is in the amendment, but the Clerk will again report it.

The Clerk read as follows:

Not more than 2½ per cent of the appropriations herein made shall be available for the use——

Mr. BLANTON. Right there should be included the words "for the architect's office."

Mr. BEGG. No; that is not what he wants.

The CHAIRMAN. Let the Clerk finish reading the amendment.

The Clerk continued the reading as follows:

Appropriations herein made shall be available for the use of the municipal architect in payment for the services of draftsmen, assistant engineers, clerks, copyists, and inspectors employed on construction work.

The CHAIRMAN. The Chair agrees with the gentleman from Texas. The Chair thinks the gentleman from Michigan should modify the amendment in that respect.

Mr. CRAMTON. I think this will reach it. After the words "appropriations herein made" insert "for new construction or building repair work."

I want to emphasize something which I think the Chair understands but which the gentleman from Texas does not. There is one appropriation in this bill for the municipal architect's office, but that is not what we are talking about here. There are numerous items for new building construction and we want to limit the percentage of each of those building items which can go into architects' fees.

Mr. BEGG. The gentleman can accomplish what he has in mind by adding this after each one of those appropriations:

Provided, That not more than 2½ per cent of this appropriation shall be used for architects' expenses.

Mr. CRAMTON. Mr. Chairman, I withdraw the amendment.

The CHAIRMAN. Without objection, the amendment is withdrawn.

There was no objection.

The Clerk read as follows:

For incidental and all other general necessary expenses authorized by law, $5,000.

Mr. CRAMTON. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Michigan offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. CRAMTON: Page 7, line 10, after the word "law" insert "of which not more than $1,000 shall be available for enforcement of the act entitled 'An act for the relief of street-car motormen,' approved March 3, 1905."

Mr. BLANTON. Mr. Chairman, I make the point of order that that is legislation; that it is unauthorized by law and is not germane to this paragraph; and also that it is not a limitation. There is nothing in this paragraph—which is embraced in but two lines, lines 9 and 10, reading: "For incidental and all other general necessary expenses authorized by law, $5,000"—that relates to the subject of the amendment at all. That appertains wholly to the subject of the Public Utilities Commission, and there is no relation between that subject and the subject of the gentleman's amendment.

Mr. CRAMTON. Mr. Chairman, I do not want to take a great deal of time. The act referred to is an act requiring street-car companies to inclose the vestibules of their cars, and a penalty is provided for failure to do so. Under the act creating the Public Utilities Commission the commission is charged with the supervision of matters pertaining to street-car companies. This does not give the commission any authority it does not have; it does not require them to spend any particular portion of this appropriation, but it is strictly a limitation that not more than so much shall be used for this particular purpose. It is such a worthy purpose that I had hoped to have the support of the gentleman from Texas.

The CHAIRMAN. Let the Chair make an inquiry of the gentleman from Michigan. The Chair has before him an act for the relief of street-car motormen, approved March 3, 1905. That act provides that each street-car company which operates street cars in the District of Columbia shall provide each of the same with a glass vestibule where the motorman does his work. Then there is the provision that every person or corporation who or which violates the provisions of the act shall be guilty of a misdemeanor, and upon conviction shall be fined and punished, and so forth. That makes the violation of the provisions of the act a misdemeanor. Now, just where does the Public Utilities Commission of the District get any authority?

Mr. CRAMTON. Since that time the Public Utilities Commission has been created and given general supervision of affairs concerning public utilities, and it would be entirely proper for that commission to expend money to secure evidence and to employ persons to take charge of the prosecution of such cases, even in the corporation counsel's office, and any incidental expenses of such a procedure could very well be

borne by this commission charged with the supervision of these common carriers. It is to be emphasized that the language does not confer authority but is a limitation upon expense.

Mr. BLANTON. If the Chair will hear me a moment, I will say that the act referred to merely provided for the violation of the law, with a criminal penalty attached, which places it in the corporation court and the corporation counsel has that duty to perform. The Public Utilities Commission has no function of looking for evidence for the corporation counsel. It would be ridiculous to hold that. Their function is definitely fixed by the organic act which created them and it does not involve this question at all. I do not see how the gentleman from Michigan can for one moment try to bring it within that act.

Mr. CHINDBLOM. Will the Chair permit a suggestion?

The CHAIRMAN. Yes.

Mr. CHINDBLOM. While the Public Utilities Commission, of course, would not have charge of the prosecutions, would it not be proper for the Public Utilities Commission to take steps to see to it that conveyances are equipped as required by some system of inspection, by rules and regulations, by issuing printed material advising the public utilities companies under their jurisdiction of the regulations established by them, and many other similar purposes? Could not in those ways expenditures be incurred under that act by the Public Utilities Commission?

Mr. CRAMTON. I might say, Mr. Chairman, here is a statute passed 19 years ago which has not yet been complied with by the Washington Railway & Electric Co. I presume this is the only city in the United States where weather as severe as we have here at times in the winter prevails where street cars are permitted to be operated with open vestibules, with motormen exposed to the storm and the sleet, standing in one place hour after hour operating a street car, with the safety of passengers intrusted to their keeping, and exposed to the cold and the storm. It is time that this condition was ended through some attention on the part of the public officials of the District in enforcing a law that Congress passed 19 years ago. While it is true the Public Utilities Commission can not go into the court, I think perhaps they have the authority to issue an order independent of this statute, but that they have not chosen to do, although for two years I have had the matter up with them. They do have the authority to employ men to go about the streets to check up on these companies and see to what extent they are operating cars that are in violation of this law, and that can be paid for from this appropriation.

Mr. BLANTON. I withdraw the point of order, Mr. Chairman.

The CHAIRMAN. The point of order is withdrawn.

Mr. BLANTON. Mr. Chairman, I offer an amendment to the gentleman's amendment.

The CHAIRMAN. The gentleman from Texas offers an amendment to the amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BLANTON to the amendment offered by Mr. CRAMTON: At the end of the Cramton amendment insert: "*Provided*, That all orders issued by the Public Utilities Commission permitting electric street railways to increase the fares authorized by their charters are void, and no such orders hereafter shall be issued by such commission."

Mr. CRAMTON. Mr. Chairman, I make a point of order against the amendment to the amendment.

Mr. BLANTON. Mr. Chairman, I want to be heard on that a moment.

The CHAIRMAN. What is the gentleman's point of order?

Mr. CRAMTON. Mr. Chairman, this is the situation: If the amendment presented by me was in order, as I am sure the Chair was about to rule, it is no basis for an amendment such as the gentleman offers, which is of a legislative character. If my amendment was not in order—and I do not concede that, and I am sure the Chair agrees with me in that—still the amendment offered by the gentleman from Texas is not germane to the amendment which I offered, and hence my amendment would afford no basis for it.

Mr. BLANTON. Mr. Chairman, let us see about that. Here is a gentleman [Mr. CRAMTON] who offers an amendment which is out of order, clearly subject to a point of order, has no relation whatever to the subject, and under the rules of the House the very minute no point of order is made against it then an amendment to that amendment, which is likewise subject to a point of order, is in order. The Chair knows the precedents established here by our former distinguished colleague from Illinois, Mr. Mann. I think the distinguished Chairman was in the chair at that time.

Mr. BEGG. Will the gentleman yield?

Mr. BLANTON. I yield.

Mr. BEGG. Does the gentleman claim his amendment is germane to the amendment?

Mr. BLANTON. Certainly; because it applies to street cars and to the service they shall give to the people of this District. Here are the charters of these street railways, something that is very valuable that the people have granted these street railways, which prohibit them from charging more than 5-cent fares, and yet with orders of this Public Utilities Commission they have been robbing the people of this District for several years, charging them 8 cents, when the Nation's great metropolis of New York has been charging only 5 cents for going all over that tremendous city. It is a shame, it is an outrage, it is a disgrace to this Nation's Capital, and we ought to have a chance to vote on this amendment that would make these street car companies go back to their charters and not charge these people here in the District of Columbia more than 5 cents.

One of the street-car companies here is making a fortune in profits every year. They want but 5 cents and say they can get along with 5 cents, but the company charges 8 cents because the Public Utilities Commission wants it to do so. The amendment is clearly in order as an amendment to the gentleman's amendment, which itself was subject to a point of order.

Mr. CHINDBLOM. Will the Chair permit a suggestion?

The CHAIRMAN. Yes.

Mr. CHINDBLOM. The first part of the gentleman's amendment, of course, is merely a recital. It reads, "That all orders issued by the Public Utilities Commission permitting electric street railways to increase the fares authorized by their charters are void." That is merely an expression of opinion. It might not mean anything one way or the other.

Mr. BLANTON. It is a legislative expression which absolutely repeals everything they have done in that respect.

Mr. CHINDBLOM. Fortunately, the Supreme Court has very recently called a halt on the theory that legislative bodies by so-called legislative expressions can establish status of fact.

Mr. BLANTON. Will the gentleman yield? The Public Utilities Commission is nothing in the world but a creature and a servant of this Congress. We created it. It is our creature, our servant, and we are simply saying that the act of our servant is void and repudiated by the Congress.

Mr. CHINDBLOM. Mr. Chairman, if that act is void or has been void up to this time, there have been remedies at law, and proper steps could be taken with respect to any illegal acts, but I call the attention of the Chair to the balance of the amendment; "and no such orders hereafter shall be issued by such commission." That is clearly legislation.

Mr. BLANTON. Of course it is. But as an amendment to another legislative amendment, it is in order.

Mr. CHINDBLOM. Where is the authority for that? That is an amendment to the Public Utilities Commission act, if it is anything, and can not be considered.

Mr. BLANTON. It is in order under the rules as established by a long line of precedents of this House.

The CHAIRMAN. Even if it were true that all parts of the act of March 3, 1905, were before the House at this time, which the Chair does not concede or believe, that act only makes it a misdemeanor to fail to inclose the vestibules of street cars for proper shelter, and if the amendment of the gentleman from Michigan had been held not germane and subject to a point of order, the only amendment which would be proper to it would be a germane amendment; that is, germane to the substance of the amendment itself. That amendment seems to have in mind the allotment of $1,000 for carrying into effect the act of March 3, 1905, while the amendment of the gentleman from Texas provides that all orders of the Public Utilities Commission permitting the street railway companies to increase fares are void. In other words, the amendment is not germane to the Cramton amendment.

Mr. BLANTON. Mr. Chairman, I offer another amendment. At the end of the Cramton amendment insert the following: "*Provided*, That no part of this appropriation shall be available to the Public Utilities Commission as long as any order by it shall be in force and effect permitting an increase of fares that may be charged by electric street railways greater than the amount of fares authorized in their respective charters."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment by Mr. BLANTON to the amendment offered by Mr. CRAMTON: At the end of the Cramton amendment insert: "*Provided*, That no part of this appropriation shall be available to the Public Utilities Commission as long as any order by it shall be in force and

effect permitting an increase of fares that may be charged by electric street railways greater than the amount of fares authorized in their respective charters."

Mr. CHINDBLOM. Mr. Chairman, I make a point of order against the amendment. This proviso does not relate to the Cramton amendment.

The CHAIRMAN. The Chair sustains the point of order. The question is on the amendment offered by the gentleman from Michigan.

The question was taken, and the amendment was agreed to.

The Clerk read as follows:

For revision of the highway plan, $1,500.

Mr. BEGG. Mr. Chairman, I move to strike out the last word. I do that to call to the attention of the House and ask the chairman of the committee to state whether or not he thinks the Rent Commission appropriation ought to be put in this bill at this point where it was carried last year, or whether he prefers to have it come in a deficiency bill.

Mr. DAVIS of Minnesota. In the deficiency bill.

Mr. BEGG. There is no question but that it will be brought in.

Mr. DAVIS of Minnesota. I do not think there is.

Mr. BLANTON. If the gentleman from Ohio will yield, I want to say that he need not worry about that because when the Supreme Court gets through with that so-called law, which we attempted to pass, there will be no necessity for an appropriation.

Mr. BEGG. We will have the Rent Commission a long while before a decision is handed down.

The Clerk read as follows:

Free public library.

Mr. CRAMTON. Mr. Chairman, I offer an amendment that the words "free public library," in line 11, page 8, shall be printed in caps instead of small caps.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Insert the words "free public library," on page 8, line 11, in capital letters.

The CHAIRMAN. Without objection, the amendment will be agreed to.

There was no objection.

The Clerk read as follows:

For personal services in accordance with the classification act of 1923, including the Takoma Park and southeast branch libraries, $126,558.

Mr. BLANTON. Mr. Chairman, I move to strike out the last word. This paragraph in the present appropriation bill for the present fiscal year carries only $84,140, while this item carries $126,558. That is an awful big increase. If that increase is only authorized by the reclassification act, then that act is costing the people of this country a much larger amount than Members of Congress ever dreamed it would cost. On the preceding page, for the superintendent of weights and measures and markets, the first item is increased from $24,160 to $33,160. The engineer commissioner's office, lines 16 and 17, are increased from $182,210 in the present bill to $244,760 in this bill. Then the central garage from $3,500 to $4,260; the municipal architect's office from $23,060 to $30,100; the Public Utilities Commission from $31,520 to $36,120; the department of insurance from $16,500 to $17,860; the surveyor's office, $26,000 to $39,000 in one place, and increased from $36,000 to $49,920 in another place. Then under this item for the free Public Library, let me say that it was increased from $84,140 to $126,558.

Mr. DAVIS of Minnesota. Heretofore, before this bill was drawn, we had the bonus, which was carried in a separate bill, and now the bonus and the classification act are added together here.

Mr. BLANTON. But the bonus was considered merely a temporary war allowance.

Mr. DAVIS of Minnesota. Yes; but it is still in effect.

Mr. BLANTON. You are not only giving them the war bonus but a big additional appropriation that runs it up tremendously.

Mr. DAVIS of Minnesota. We are giving it what the classification bill provided for. It is law, and the gentleman can make a point of order against it if he wishes.

Mr. BLANTON. I am not going to make a point of order against it, because the Chairman would overrule it, but I think the people of the country ought to know that in every single bill we are passing there is a big increase in salaries. There has not been a bill passed by this session of Congress that has not contained a great big increase in salaries.

Mr. DAVIS of Minnesota. Does the gentleman know any way to stop it? He ought to have killed the Lehlbach bill.

Mr. BLANTON. I fought hard against the Lehlbach bill.

Mr. DAVIS of Minnesota. I can not help that.

Mr. CRAMTON. The gentleman's recollection is a little faint there. He was not recorded as voting against the bill when it became a law.

Mr. BLANTON. I do not think we had a record vote upon it.

Mr. CRAMTON. On the last record vote there was upon it the gentleman was not recorded.

Mr. BLANTON. Possibly so; but I was against the bill and did everything I could to stop it, though it passed by an overwhelming majority, and if we had known what the Lehlbach bill was going to cost us probably it never would have passed; but you Members did not realize then what it was going to cost the people.

The Clerk read as follows:

CONTINGENT AND MISCELLANEOUS EXPENSES

For printing, checks, books, law books, books of reference, periodicals, stationery; surveying instruments and implements; drawing materials; binding, rebinding, repairing, and preservation of records; purchase of laboratory apparatus and equipment and maintenance of laboratory in the office of the inspector of asphalt and cement; damages; livery, purchase, and care of horses and carriages or buggies and bicycles not otherwise provided for; horseshoeing; ice; repairs to pound and vehicles; use of bicycles by inspectors in the engineer department not to exceed $800 in the aggregate; and other general necessary expenses of District offices, including the personal-tax board, harbor master, health department, surveyor's office, office of superintendent of weights, measures, and markets, department of insurance, and Board of Charities, including an allowance to the secretary of the Board of Charities, not exceeding the rate of $26 per month, for the maintenance of an automobile to be furnished by him and used in the discharge of his official duties, $47,900.

Mr. DAVIS of Minnesota. Mr. Chairman, that rate of "$26" in line 24 should be changed to "$20."

Mr. BLANTON. It was agreed to yesterday that that change should be made all the way through the bill, but the RECORD does not show that very clearly. After the vote was taken upon the two Hudson amendments, it was agreed that wherever the Clerk finds $13 for motor cycles and $26 for automobiles they should be changed to $10 and $20, respectively.

The CHAIRMAN. The Chair did not examine the RECORD closely about that.

Mr. DAVIS of Minnesota. I made the request and asked that it be done by the Clerk clear through the bill.

The CHAIRMAN. The RECORD will show it correctly now.

The Clerk read as follows:

For the exchange of such automobiles now owned by the District of Columbia as, in the judgment of the commissioners of said District, have or shall become unserviceable, $3,000.

Mr. BLANTON. Mr. Chairman, I make the point of order against the paragraph contained in lines 18 to 21, inclusive. It is legislation on an appropriation bill and unauthorized by law. There is no law whatever authorizing these appropriations.

Mr. DAVIS of Minnesota. I do not think there is any question but that they have a right to exchange their automobiles and keep them in repair.

Mr. BLANTON. But it takes law for it, and there is no law for it.

Mr. DAVIS of Minnesota. It has been the custom and the law in every bill that I have ever known anything about.

Mr. BLANTON. The purpose of this paragraph is to buy new automobiles and turn in the old ones for the new ones, but it takes law, even for the exchange of Government property. It will be noticed in the paragraph just above that we allow $28,000 for maintenance of automobiles, and now this paragraph is designed for new automobiles, to turn in the old ones and have them apply on some new ones.

The CHAIRMAN. Is it admitted by the chairman of the subcommittee that it would require legislation to buy new automobiles?

Mr. CRAMTON. No.

The CHAIRMAN. Where is the general law?

Mr. DAVIS of Minnesota. I do not know that there is any general authority.

Mr. BEGG. Mr. Chairman, I think the position that the Chair took yesterday is ample precedent to hold this in order,

namely, that the law that creates the department authorizes the head of a department to furnish automobiles if the Congress will make the appropriation.

The CHAIRMAN. The Chair thinks that the gentleman is correct, and the point of order is overruled.

Mr. BLANTON. That is an awful precedent to set.

The CHAIRMAN. The gentleman has his right to proceed in the regular way. The Clerk will read.

The Clerk read as follows:

All estimates of appropriations for the fiscal year 1926 on account of the purchase, exchange, maintenance, repair, and operation of horse-drawn and motor-propelled vehicles, and for allowances to employees for supplying their own vehicles, shall be submitted in three paragraphs under the head of "Contingent and miscellaneous expenses." One paragraph shall apply to motor-propelled vehicles, one to horse-drawn vehicles, and one to privately owned vehicles, and each shall be accompanied by detailed information showing numbers and distribution by types, and comparative actual and estimated cost figures for the fiscal years 1924, 1925, and 1926. This requirement shall not apply to the police and fire departments, or to the activities provided for herein which are not administered by the Commissioners of the District of Columbia.

Mr. BLANTON. Mr. Chairman, I make the point of order against the paragraph. It is clearly legislation unauthorized by law. It deals not only with this fiscal year but with succeeding fiscal years. If the Chair will look at the bottom of the page he will see that it provides for the fiscal years 1924, 1925, and 1926.

Mr. CRAMTON. Mr. Chairman, this is a paragraph that is effective only during the next fiscal year. It is effective only during the fiscal year 1925. It has to do only with the preparation of estimates for the fiscal year 1926, which, as the Chair knows, must be submitted to Congress before the 1st day of next December; so that the operation of this provision is not perpetual. It is effective only during the next fiscal year. In the preparation of those estimates and in their submission to Congress certain information has to be set forth with reference to the current fiscal year and for the next fiscal year and the one to follow, but that is the nature of information that is to be included in the estimates. The operation is entirely during the next fiscal year.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. CRAMTON. The Congress has expressed its direction to the District authorities as to how they shall submit their information to Congress during this next fiscal year through the Budget.

Mr. BLANTON. Why has not the gentleman and his distinguished committee carried this heretofore? This is the first time this language has appeared in any appropriation bill.

Mr. CRAMTON. What does that prove?

Mr. BLANTON. It proves it is new legislation. The committee has not carried it before in this bill.

Mr. CRAMTON. If it had carried it annually for 50 years heretofore, if it is legislation the fact that it had been carried for 50 years before would not cure it.

Mr. BLANTON. I think it ought to come from the proper legislative committee and not be put in the bill by the Appropriations Committee.

Mr. CRAMTON. I admit it is a new paragraph but not legislation.

Mr. BEGG. Mr. Chairman, one word. The only reason I make any comment is just for the sake of what I believe is orderly procedure. If there is any appropriation about this paragraph, I would like to have it pointed out. If there is any limitation, I would like to have it pointed out. Now, the gentleman from Michigan says it is put in there for instruction. Why, necessarily it becomes legislation. I am not trying to sustain the point of order but I do want to sustain the rules, and I do not think we ought to go wild on them.

Mr. CRAMTON. I want to say it is not my purpose to argue that, but I am stating the facts as to the amendment. As a matter of fact, this language substantially was in the bill a year ago. It was stricken out in the Senate. It was promised by the District authorities that this information would be furnished to the Congress with this present bill. That promise was not kept, and hence the Appropriations Committee, in a desire to have before it information upon which it and the House could most intelligently act, have placed here this direction.

If this is legislation, it goes out on the point of order which the gentleman from Texas makes. I will say this, that I am amazed that the gentleman from Texas, preaching economy, should object to a provision here in the interest of economy and which is intended to require these departments to furnish us information so we can know how much the automobiles are costing this Government.

SEVERAL MEMBERS. Rule!

Mr. BLANTON. One moment.

The CHAIRMAN. The Chair is ready to rule.

Mr. BLANTON. Permit me to reply to the reference which the gentleman made to me. The Chair has a right to hear me.

The CHAIRMAN. The Chair will hear the gentleman briefly.

Mr. BLANTON. Mr. Chairman, I voted for the law that placed all the appropriations in the hands of these 35 gentlemen on the Appropriations Committee. It was my vote that helped to give them authority, and I am now merely trying to maintain the integrity of the rest of the committees of the House, the legislative committees, in protecting their jurisdiction.

The CHAIRMAN. This provision is manifestly legislation. It does not come within any of the exceptions of legislation on appropriation bills, and the point of order is sustained.

The Clerk read as follows:

For advertising notice of taxes in arrears July 1, 1924, as required to be given by the act of March 19, 1890, to be reimbursed by a charge of 50 cents for each lot or piece of property advertised, $5,500.

Mr. BLANTON. Mr. Chairman, I make the point of order that there is no quorum present.

The CHAIRMAN. The Chair will count. [After counting.] Twenty-six Members are present, not a quorum.

Mr. DAVIS of Minnesota. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and Mr. SNELL having taken the chair as Speaker pro tempore, Mr. GRAHAM of Illinois, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee having had under consideration the bill H. R. 8839 had come to no resolution thereon.

PERMISSION TO ADDRESS THE HOUSE

Mr. HILL of Maryland. Mr. Speaker, this being the anniversary of my birth, I ask unanimous consent to address the House for 45 seconds.

The SPEAKER pro tempore. The gentleman from Maryland asks unanimous consent to address the House for 45 seconds.

Mr. BLANTON. Is that a second for each year of the gentleman's life?

Mr. HILL of Maryland. Mr. Speaker, I deeply regret that that is the case. Mr. Speaker and gentlemen of the House, having lived a great many years and heard both good and poor speeches in great numbers, I ask unanimous consent to extend my remarks in the RECORD by printing an excellent address on Americanization delivered by the Hon. Nicholas Murray Butler before the Missouri Society at the Hotel Plaza in New York on the evening of April 29, 1924.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

Mr. BEGG. Mr. Speaker, I object.

Mr. HILL of Maryland. I regret that the gentleman from Ohio objects, and I yield back the remainder of my time.

PREPAREDNESS FOR PEACE

Mr. MACGREGOR. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting a speech made by my colleague, Hon. HAMILTON FISH, before the New York League of Women Voters at Buffalo last Sunday.

The SPEAKER. The gentleman from New York asks unanimous consent to extend his remarks for the purpose indicated. Is there objection?

Mr. CONNALLY of Texas. Does that also contain the reply to his speech made by Mrs. Catt?

Mr. MACGREGOR. No. I did not propose to print the reply.

The SPEAKER. Is there objection?

There was no objection.

Mr. MACGREGOR. Mr. Speaker, under leave granted to extend my remarks, I insert a speech by Hon. HAMILTON FISH, Jr., before the fifth annual convention of the National League of Women Voters at Buffalo on April 27, 1924, which is as follows:

PREPAREDNESS FOR PEACE

It is a great honor to be invited to speak before the National League of Women Voters, and I appreciate doubly the opportunity to discuss

the peace problem and limitation of armament before an organization such as yours, which has given so much thought to solving these vital problems.

It is fitting and appropriate that your great organization, composed of patriotic and peace-loving American citizens, should meet in Buffalo to discuss ways and means to lessen the likelihood of war through limitation of armament and arbitration of international disputes, for it was in Buffalo on September 5, 1901, the very day President McKinley was assassinated, that he gave out his famous epoch-making message to the American people to the effect that the period of aloofness and exclusiveness was past, and advocated the settlement of all misunderstandings and disputes among nations by international arbitration.

We are also reminded that the city of Buffalo, the outpost of the Empire State and the sentinel city of the United States on the Canadian border, is a visible example of the result of the arrangement for limitation of armament entered into by the United States and Canada in 1817. Buffalo is one of the main beneficiaries of this limitation of armament agreement and has been far better protected than if there had been a hundred forts built for her defense. The growth of Buffalo is a mute testimonial of the efficacy of this agreement of 1817, which is the most successful example of its kind in all history and has made for peace and good will for over a century on our common borderland of 3,000 miles.

With the exception of the veterans of the World War who took part in actual battle and saw for themselves the horrors of war, no element in our body politic is more concerned with bringing about peaceful relations among nations and lessening the opportunities and likelihood of war than the women of America. That is why I am glad to leave Washington and come all the way to Buffalo to add my voice in support of President Coolidge's proposed conference to limit armaments.

I believe in preparedness. I believe in a small, efficient Regular Army, with a goodly number of officers; a large federalized National Guard; and an Officers' Reserve Corps with sufficient appropriations to provide two weeks' training annually for at least 10,000 of the 80,000 reserve officers. I have no sympathy or patience with the militarists, on the one hand, who are constantly seeking to increase our Military Establishment and perceive dire disaster in any move for peace and limitation of armaments, or with the pacifists, on the other hand, who would have America defenseless and advocate the doctrine of turning the other cheek. Without fear of contradiction, I say we are far better prepared for national defense than in any period of our history except during actual conflict.

I put my faith in preparedness for peace, believing as I do that the most vital unsolved problem to-day is the achievement and maintaining of world peace. I believe that the United States, because of its position of leadership in the world, has a great moral responsibility to exert its influence and power to promote peaceful relations between nations and show by its example that peace based on justice, cooperation, and conciliation is the only kind of peace that is lasting and worth having.

Let us prepare for peace by inculcating the right kind of peace ideals in the minds of the coming generation and by glorifying peace. Let us reveal the horrors of war and teach the truth that war is the blackest, least excusable, and most damnable crime against man and God. There can be no peace without there being a genuine desire for peace, and that will come when the women of the world unite in demanding proportional limitation of armaments and the settlement of international disputes by means of international arbitration.

I am going to let you in on a secret if you promise not to tell the Secretary of State, Mr. Hughes: It was the overwhelming, persistent, and insistent demand of the women of America on the platform, by petitions, and by letters to Congress and to ex-President Harding that caused the calling of the Washington conference to limit naval armaments. I believe that credit should be given where credit is due, and your organization was largely responsible not only for having the conference called but for arousing public opinion in support of proportional limitation of naval armaments. In my opinion it was the greatest step toward peace since the armistice, and a far greater achievement than anything the League of Nations has accomplished.

The agreement to proportionally reduce the number of battleships wiped away overnight competitive rivalry and all thought of war between Japan and the United States—so much so that even now in the stress of the immigration question there is no jingo talk of resorting to war on either side. The Washington conference accomplished much and saved the taxpayers $250,000,000 annually, but the precedent it established was of even more importance by showing how and what would be done to limit armaments and prevent war-producing competition in naval armament.

I believe that widespread education against war is an effective method of preventing war, and should be encouraged by the women of America. War is a blight, a curse to the world, and the only hope is the maintenance of peace through the aid of the united and constructive effort of such organizations as yours.

There is no one solution to the peace problem. I believe that the entrance of the United States into the World Court would be a step in the right direction. The American people, however, should be fully informed regarding the exact nature of the duties and functions of the court and not told that it will bring about the millennium, but is only a step toward adjusting international disputes and would be of psychological value in promoting peace. I hope in the near future that the great powers will agree to sign the compulsory arbitration clause, which would go a long way toward solving the peace problem.

I am not an irreconcilable, but in my opinion it would be the part of wisdom for the United States to keep out of the League of Nations for the present at least, until European nations begin to disarm, bond their debts, and signify a desire for peace. Article V of the league covenant requires unanimous consent of all nations in the league before action by the league can take place. This is just the same as if unanimous consent were required to put a bill through the Senate. It would be obviously impossible to pass any measure of importance under these conditions. That is why I am opposed to the league, because as constituted to-day it has no means of achieving or preserving the peace of the world. It is simply the enforcement agent for the Versailles treaty, without the power to amend any of its harsh or unworkable territorial provisions. I am also opposed to entering the league without a reservation to Article X guaranteeing the political independence and the territorial integrity of the members.

The league is impotent and powerless as at present constituted to limit armaments or settle major issues, and by staying out of the league we retain our freedom of action to call international conferences for the purpose of promoting world peace. The American people delivered their verdict on the league issue four years ago and there has been no new evidence produced to cause a change of sentiment. It is more than ever evident that the noble conception of the league has been turned into a combination of the victors to exploit their own advantage. The constitution of the league was so framed as to render futile any efforts to remedy or amend the Versailles covenant. The league is not a judicial organization like the Permanent Court of International Justice, but political, dominated by England and France. Were we to enter the league we could not help taking sides on questions which would involve and entangle us hopelessly in European jealousies, ambitions, and intrigues.

I introduced on January 8 a resolution calling for another limitation of armament conference, and believe that the time will soon be ripe for arousing the women of America to united and concerted action to make such a conference a success. The Premier of England, Ramsay MacDonald, has repeatedly shown his broad vision and earnest desire for peace by advocating further limitation of armaments, and it is to be hoped that the Dawes report will furnish a basis for an early settlement of the reparation question, without which there can be no peace in Europe.

In my opinion President Coolidge has a wonderful opportunity, supported by the women of America, to take an unselfish and constructive step toward promoting world peace by calling a conference in Washington to further limit armaments, which can not come too soon for the good of the world.

The present appalling situation in Europe can not last long without an appeal to the sword. The racial and national hatred there amounting to blood vengeance is too strong to be kept down by coercion and the rule of foreign bayonets. The rule of force especially applied from without can not endure and is only a passing phase in countries where civil rights and liberties have once flourished. Revolts, civil wars, foreign wars, and wars of liberation are bound to occur and reoccur for the next 30 years, unless the representatives of the big nations can reach an agreement based on justice, conciliation, and cooperation. That is the only road to peace; there can be no peace unless there is a genuine desire for peace. There can be no desire for peace in Europe with militarism gone mad, and wars and rumors of war the daily food of the entire continental population. All militarism is brutal and creates war psychology wherever it exists. In heavily armed nations there is unconsciously developed a spirit of conquest, imperialism, and belief in force. In nations like the United States with limited armaments our belief in the principles of justice, conciliation, and cooperation make for enduring peace. On our northern frontier of 3,000 miles, as emphasized at the beginning of my remarks, there is no need for a single soldier, a single gun, or a single fort, because of our belief in international righteousness and our desire for peace.

The first step toward developing a desire for peace in Europe is to call a conference, and the only way to call an international conference of the leading nations is to call it without fear, favor, or apologies. The preservation of international peace should be the continuous policy of all civilized nations, and no nation need apologize for advocating and furthering such a policy by all means within its power, particularly through its moral influence.

I will gladly cooperate with the League of Women Voters in any constructive effort to promote peaceful relations and good will among the

nations of the earth, as I believe that the preservation of international peace is the most important and vital issue affecting the welfare of humanity and the entire structure of our modern civilization.

ORDER OF BUSINESS

Mr. DAVIS of Minnesota. Mr. Speaker, I ask unanimous consent that when the House adjourns to-night it adjourn to meet at 11 o'clock to-morrow.

The SPEAKER. The gentleman from Minnesota asks unanimous consent that when the House adjourns to-night it adjourn to meet at 11 o'clock to-morrow. Is there objection?

Mr. GARRETT of Tennessee. Mr. Speaker, reserving the right to object, will there be anything to-morrow other than the District appropriation bill?

Mr. DAVIS of Minnesota. I hope not.

Mr. BEGG. I will say to the gentleman that there will not be. There might be a conference report or something privileged.

Mr. BLANTON. Time was also allowed to the gentleman from Michigan [Mr. MAPES]—20 minutes.

Mr. GARRETT of Tennessee. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

JUDGE DAVID PATTERSON DYER

Mr. CANNON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD concerning former Representative David Patterson Dyer.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CANNON. Mr. Speaker, on Tuesday afternoon, terminating a long and eventful career at the ripe age of four score and six years, Judge David Patterson Dyer, a former Member of this House, passed peacefully to his great reward.

Judge Dyer was the last survivor of the Forty-first Congress, which convened in 1869, and the beginning of his term antedated by two years the historic service of Speaker Cannon, of Illinois, of whom he was always an ardent admirer.

A Virginian by birth and a Missourian by adoption, he represented and exemplified the highest ideals and the best traditions of both States.

His public career began in 1860 with his election as district attorney, and for the remaining 64 years of his life he was prominently identified with the public life of the State. He was elected to the State legislature in 1862 and reelected in 1864, and while serving in that capacity recruited the Forty-ninth Regiment of Missouri Volunteers, and as its colonel commanded it through the battles of an active and successful campaign in Missouri and the South. At the close of the war he was elected to Congress and served one term, beginning in 1869. He was an active supporter of President Grant, who appointed him United States attorney for the eastern district of Missouri, where he won immediate fame in the prosecution of the notorious whisky ring.

Four years later he was the Republican candidate for governor, but was defeated and returned to his law practice, where he remained until again appointed United States attorney for the eastern district by President Roosevelt. He was reappointed in 1906 and the following year was elevated to the Federal judgeship. He died as he wished to die—in the harness, holding court but two days before his death.

Few men have possessed so generally the genuine affection of the people of his section. He was particularly loved by his old neighbors, and his home-coming to attend service at old Sand Run Church was an annual event and was looked forward to as a red-letter day on the calendar of three counties. His name and career enrich and embellish one of the longest and most interesting chapters in the history of Missouri.

Able, brilliant, democratic, and of magnetic personality, his name has been a household word throughout the State for more than a generation. He was true to every trust and faithful to every obligation—soldier, statesman, jurist, gentleman.

WITHDRAWAL OF PAPERS

Mr. MACGREGOR, by unanimous consent, was granted leave to withdraw the papers on file in connection with the bill H. R. 6562, a pension bill, no adverse report having been made thereon.

ENROLLED BILL SIGNED

Mr. ROSENBLOOM, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bill of the following title, when the Speaker signed the same:

H. R. 7959. An act to provide adjusted compensation for veterans of the World War, and for other purposes.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. PERLMAN, for four days, on account of illness.

To Mr. JOHNSON of Texas, for to-morrow, May 3, on account of important business.

To Mr. CAMPBELL, for 10 days, on account of the illness of his wife.

ADJOURNMENT

Mr. DAVIS of Minnesota. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 13 minutes p. m.) the House adjourned until to-morrow, Saturday, May 3, 1924, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

449. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the legislative establishment of the United States for the fiscal year ending June 30, 1924, for expenses of inquiries and investigations ordered by the Senate (H. Doc. No. 254); to the Committee on Appropriations and ordered to be printed.

450. A communication from the President of the United States, transmitting two communications from the Postmaster General of the United States, submitting estimate of appropriations in the sum of $6,413.81, to pay 118 claims which have been adjusted and require an appropriation for their payment (H. Doc. No. 255); to the Committee on Appropriations and ordered to be printed.

451. A communication from the President of the United States, transmitting a communication from the Acting Secretary of Commerce, submitting a claim of the Oregon Short Line Railroad for damages to privately owned property in the sum of $487.39, which claim has been adjusted by the Director of the Coast and Geodetic Survey, and which require an appropriation for their payment (H. Doc. No. 256); to the Committee on Appropriations and ordered to be printed.

452. A communication from the President of the United States, transmitting deficiency estimates of appropriations for the fiscal year 1923, $953.23, and supplemental estimates of appropriations for the fiscal year ending June 30, 1924, $51,000, for the Department of Justice, amounting in all to the sum of $51,953.23; also a draft of proposed legislation affecting the appropriation for 1925, to authorize the lease of court rooms in New York City for a period of five years (H. Doc. No. 257); to the Committee on Appropriations and ordered to be printed.

453. A communication from the President of the United States, transmitting a communication from the Secretary of the Navy, submitting an estimate of appropriation in the sum of $1,947.33 to pay eight claims which he has adjusted and which require an appropriation for their payment (H. Doc. No. 258); to the Committee on Appropriations and ordered to be printed.

454. A communication from the President of the United States, transmitting two communications from the Secretary of War, submitting claims for damages to or loss of privately owned property in the sum of $4,496.23 of seven claimants, which have been adjusted and which require an appropriation for their payment (H. Doc. No. 259); to the Committee on Appropriations and ordered to be printed.

455. A communication from the President of the United States, transmitting a communication from the Secretary of the Navy, submitting an estimate of appropriation in the sum of $40,149.04 to pay claims of Jeremiah J. Kelley and 49 others, which have been adjusted and which require an appropriation for their payment (H. Doc. No. 260); to the Committee on Appropriations and ordered to be printed.

456. A communication from the President of the United States, transmitting a communication from the Secretary of the Navy, submitting an estimate of appropriation in the sum of $6,316.74 to pay claims of the Texas Oil Co., Port Arthur, Tex., and 22 other claimants, which have been adjusted and which require an appropriation for their payment (H. Doc. No. 261); to the Committee on Appropriations and ordered to be printed.

457. A communication from the President of the United States, transmitting a communication from the Acting Secretary of Commerce, submitting claims for damages to privately owned property in the sum of $390.64 of four claimants, which claims have been adjusted by the Commissioner of Lighthouses, and which require an appropriation for their

payment (H. Doc. No. 262); to the Committee on Appropriations and ordered to be printed.

458. A communication from the President of the United States, transmitting a communication from the Treasury Department under date of March 4, 1924, submitting the claim of Richard P. Moore in the sum of $42.82 which has been adjusted and which require an appropriation for its payment (H. Doc. No. 263); to the Committee on Appropriations and ordered to be printed.

459. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Department of State for the fiscal year ending June 30, 1924, to defray the cost of representation of the United States at the meeting of the Inter-American Committee on Electrical Communications to be held in Mexico City, Mexico, beginning May 27, 1924, $30,000 (H. Doc. No. 264); to the Committee on Appropriations and ordered to be printed.

460. A communication from the President of the United States, transmitting supplemental and deficiency estimates of appropriations for the District of Columbia for the fiscal year ending June 30, 1924, and for prior fiscal years, amounting to $359,373.20, together with certain proposed legislation (H. Doc. No. 265); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. FROTHINGHAM: Committee on Military Affairs. H. R. 5722. A bill authorizing the conservation, production, and exploitation of helium gas, a mineral resource pertaining to the national defense, and to the development of commercial aeronautics, and for other purposes; with amendments (Rept. No. 627). Referred to the Committee of the Whole House on the state of the Union.

Mr. HAUGEN: Committee on Agriculture. H. R. 9033. A bill declaring an emergency in respect of certain agricultural commodities, to promote equality between agricultural commodities and other commodities, and for other purposes; without amendment (Rept. No. 631). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLY: Committee on the Post Office and Post Roads. H. R. 8586. A bill to provide for the free transmission through the mails of certain publications for the blind; without amendment (Rept. No. 633). Referred to the Committee of the Whole House on the state of the Union.

Mr. McSWAIN: Committee on Military Affairs. H. R. 5567. A bill to provide for the inspection of the battle fields in and around Fredericksburg and Spotsylvania Courthouse, Va.; without amendment (Rept. No. 634). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. WILLIAMS of Michigan: Committee on War Claims. S. 2357. An act for the relief of the Pacific Commissary Co.; with an amendment (Rept. No. 625). Referred to the Committee of the Whole House.

Mr. WILLIAMS of Michigan: Committee on War Claims. H. R. 2336. A bill for the relief of F. J. Belcher, jr., trustee for Ed Fletcher; without amendment (Rept. No. 626). Referred to the Committee of the Whole House.

Br. BURDICK: Committee on Naval Affairs. H. R. 2016. A bill for the relief of William M. Phillipson; without amendment (Rept. No. 628). Referred to the Committee of the Whole House.

Mr. VINSON of Georgia: Committee on Naval Affairs. H. R. 5061. A bill for the relief of Russell Wilmer Johnson; without amendment (Rept. No. 629). Referred to the Committee of the Whole House.

Mr. VINSON of Georgia: Committee on Naval Affairs. H. R. 5456. A bill granting six months' pay to Lucy B. Knox; without amendment (Rept. No. 630). Referred to the Committee of the Whole House.

Mr. MAGEE of Pennsylvania: Committee on Naval Affairs. H. R. 3736. A bill for the relief of James J. Meehan; without amendment (Rept. No. 632). Referred to the Committee of the Whole House.

Mr. HILL of Alabama: Committee on Military Affairs. H. R. 6442. A bill for the relief of William H. Armstrong; with an amendment (Rept. No. 635). Referred to the Committee of the Whole House.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. SINNOTT: A bill (H. R. 9028) to authorize the addition of certain lands to the Whitman National Forest; to the Committee on the Public Lands.

Also (by request), a bill (H. R. 9029) to promote the mining of potash on the public domain; to the Committee on the Public Lands.

Also (by request), a bill (H. R. 9030) to provide for the consolidation of the land service in Alaska, and for other purposes; to the Committee on the Public Lands.

Also, a bill (H. R. 9031) to amend section 5 of an act entitled "An act to provide for stock-raising homesteads, and for other purposes," approved December 29, 1916; to the Committee on the Public Lands.

By Mr. NEWTON of Missouri: A bill (H. R. 9032) to amend section 1015 of the Revised Statutes; to the Committee on the Judiciary.

By Mr. HAUGEN: A bill (H. R. 9033) declaring an emergency in respect of certain agricultural commodities, to promote equality between agricultural commodities and other commodities, and for other purposes; to the Committee on Agriculture.

By Mr. GREEN of Iowa: A bill (H. R. 9034) to provide for the regauging of distilled spirits, and for other purposes; to the Committee on Ways and Means.

By Mr. GRIEST: A bill (H. R. 9035) reclassifying the salaries of postmasters and employees of the Postal Service and readjusting their salaries and compensation on an equitable basis, and for other purposes; to the Committee on the Post Office and Post Roads.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ARNOLD: A bill (H. R. 9036) for the relief of Henry Simons; to the Committee on Military Affairs.

By Mr. CARTER: A bill (H. R. 9037) granting an increase of pension to Thomas V. Hunt; to the Committee on Pensions.

By Mr. HULL of Iowa: A bill (H. R. 9038) granting a pension to Amy H. Brown; to the Committee on Invalid Pensions.

By Mr. KAHN: A bill (H. R. 9039) for the relief of David F. Reid; to the Committee on Military Affairs.

By Mr. MUDD: A bill (H. R. 9040) for the relief of Clarence C. Cadell; to the Committee on Claims.

Also, a bill (H. R. 9041) granting a pension to Robert Gore; to the Committee on Pensions.

Also, a bill (H. R. 9042) granting an increase of pension to Frank Coalman; to the Committee on Pensions.

Also, a bill (H. R. 9043) granting an increase of pension to Margaret W. Dexter; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9044) granting an increase of pension to Harriet E. Dennison; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9045) granting a pension to Nannie Ogle Bird; to the Committee on Invalid Pensions.

By Mr. NEWTON of Missouri: A bill (H. R. 9046) for the relief of Philip Osburg; to the Committee on Claims.

By Mr. RUBEY: A bill (H. R. 9047) granting an increase of pension to Nancy C. Jones; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9048) granting a pension to Julia Dugan; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9049) granting a pension to Lettie Painter; to the Committee on Invalid Pensions.

By Mr. SHREVE: A bill (H. R. 9050) granting a pension to Emily J. Foust; to the Committee on Invalid Pensions.

By Mr. SWING: A bill (H. R. 9051) for the relief of Joseph H. Seymour; to the Committee on Military Affairs.

By Mr. TINKHAM: A bill (H. R. 9052) granting a pension to William Smallwood; to the Committee on Pensions.

By Mr. WARD of New York: A bill (H. R. 9053) granting a pension to Anna Smith; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2640. By Mr. BOX: Petition of S. W. Sinclair and sundry persons of Marshall, Tex., members of the International Machinists' Association, asking for the enactment of the Brookhart-Hull bill (S. 742, H. R. 2702) requiring that all strictly

military supplies be manufactured in Government-owned navy yards and arsenals; to the Committee on Military Affairs.

2641. By Mr. CRAMTON: Petition of the members of the Methodist Episcopal Church of Romeo, Mich., and the Woman's Christian Temperance Union of Romeo, Mich., protesting against any modification of the eighteenth amendment and the Volstead Act; to the Committee on the Judiciary.

2642. By Mr. CULLEN: Petition of Openers and Packers' Association of the United States Customs Service, New York City, asking for a living wage, and also favoring House bill 8202, to amend the retirement act, providing for a pension after 30 years' service; to the Committee on the Civil Service.

2643. Also, petition of the Associated Traffic Clubs of America, opposing the making of freight rates out of political expediency, and viewing with great concern anything that would restrict the Interstate Commerce Commission in the free and unbiased consideration of any and all matters coming before it; to the Committee on Interstate and Foreign Commerce.

2644. By Mr. DARROW: Petition of 138 employees of the Wayne Junction car shop of the Philadelphia & Reading Railway Co., protesting against the adoption of the Howell-Barkley labor bill; to the Committee on Interstate and Foreign Commerce.

2645. By Mr. FENN: Petition of the Manufacturers' Association of Hartford County, Conn., protesting against the proposal to discharge the Committee on Interstate and Foreign Commerce from further consideration of House bill 7358; to the Committee on Interstate and Foreign Commerce.

2646. Also, petition of the Employers' Association of Hartford, Conn. (Inc.), comprising 300 business concerns, protesting against the proposal to discharge the Committee on Interstate and Foreign Commerce from further consideration of House bill 7358; to the Committee on Interstate and Foreign Commerce.

2647. Also, petition of the Connecticut Chamber of Commerce, objecting to the passage of the so-called Fitzgerald bill (H. R. 487) with reference to workmen's compensation; to the Committee on Interstate and Foreign Commerce.

2648. By Mr. FULLER: Petition of the American Federation of Railroad Workers, Harsimus Lodge, No. 99, protesting against the passage of the Howell-Barkley bill (H. R. 7358); to the Committee on Interstate and Foreign Commerce.

2649. Also, petition of the Illinois Agricultural Association, favoring the enactment of the McNary-Haugen bill; to the Committee on Agriculture.

2650. Also, petition of the Millers' National Federation, opposing the McNary-Haugen bill; to the Committee on Agriculture.

2651. Also, petitions of the Illinois Valley Manufacturers' Club, of La Salle; the Ingersoll Milling Machine Co., of Rockford; L. E. Block, chairman board of directors of the Inland Steel Co., of Chicago; and George D. Roper, of Rockford, all of Illinois, opposing amendment of the transportation act; to the Committee on Interstate and Foreign Commerce.

2652. Also, petition of the American Farm Bureau Federation, opposing the proposed tax on radio receiving sets; to the Committee on Ways and Means.

2653. By Mr. GALLIVAN: Petition of American Federation of Railroad Workers, Chicago, Ill., protesting against the Howell-Barkley bill; to the Committee on Interstate and Foreign Commerce.

2654. Also, petition of Harsimus Lodge, No. 99, American Federation of Railroad Workers, Jersey City, N. J., protesting against passage of the Howell-Barkley bill; to the Committee on Interstate and Foreign Commerce.

2655. By Mr. SITES: Petition of citizens of Carlisle and Cumberland County, Pa., requesting favorable consideration of House bill 3799, providing an increase in pension for Mr. B. F. Cornman, of Carlisle; to the Committee on Invalid Pensions.

SENATE

SATURDAY, *May 3, 1924*

(Legislative day of Thursday, April 24, 1924)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the Speaker of the House had signed the enrolled bill (H. R. 7959) to provide adjusted compensation for veterans of the World War, and for other purposes, and it was subsequently signed by the President pro tempore.

CALL OF THE ROLL

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The principal clerk called the roll, and the following Senators answered to their names:

Adams	Fess	King	Shields
Ashurst	Fletcher	Ladd	Shipstead
Ball	Frazier	Lodge	Shortridge
Bayard	George	McKellar	Simmons
Borah	Glass	McKinley	Smith
Brandegee	Gooding	McLean	Smoot
Brookhart	Hale	McNary	Stanley
Bruce	Harreld	Moses	Stephens
Bursum	Harris	Neely	Sterling
Cameron	Harrison	Norris	Swanson
Capper	Heflin	Oddie	Underwood
Caraway	Howell	Overman	Wadsworth
Copeland	Johnson, Calif.	Pepper	Walsh, Mass.
Cummins	Johnson, Minn.	Phipps	Walsh, Mont.
Dale	Jones, N. Mex.	Pittman	Warren
Dial	Jones, Wash.	Ransdell	Watson
Dill	Kendrick	Reed, Pa.	Weller
Ferris	Keyes	Sheppard	Willis

Mr. SMOOT. I wish to announce that the senior Senator from Kansas [Mr. CURTIS] is detained from the Senate on official business. I ask that the announcement may stand for the day.

Mr. JONES of Washington. I desire to announce that the Senator from Wisconsin [Mr. LENROOT] is absent owing to illness. I ask to have this announcement stand for the day.

The PRESIDENT pro tempore. Seventy-two Senators having answer to their names, there is a quorum present.

PERSONAL EXPLANATION—VOTE ON RADIO AMENDMENT

Mr. FESS. Mr. President, yesterday on the vote upon the radio amendment I was paired with the junior Senator from Mississippi [Mr. STEPHENS]. I inadvertently voted and failed to announce the pair. I make the statement at this time that he would have voted against the committee amendment had he been present, and if the rule permitted I would withdraw my vote in order to take care of him. My vote, of course, did not affect the result. It was an inadvertence on my part.

SPECULATIONS IN WHEAT

The PRESIDENT pro tempore laid before the Senate the following communication from the Secretary of Agriculture, which was ordered to be printed in the RECORD, and, with the accompanying report, referred to the Committee on Agriculture and Forestry:

DEPARTMENT OF AGRICULTURE,
Washington, May 2, 1924.

Hon. ALBERT B. CUMMINS,
President pro tempore, United States Senate.

DEAR SENATOR CUMMINS: In response to Senate Resolution No. 9, adopted by Senate on January 8, 1924, I have the honor to transmit herewith the report of the Grain Futures Administration under the grain futures act of September 21, 1922, with respect to trading in grain futures on the Chicago Board of Trade.

Sincerely yours,

HENRY C. WALLACE, *Secretary.*

PETITIONS AND MEMORIALS

The PRESIDENT pro tempore laid before the Senate a communication in the nature of a petition of the Trenton Council of Churches, of Trenton, N. J., praying that a more satisfactory method of dealing with the problem of Japanese immigration be found than that contained in pending immigration legislation, etc., which was referred to the Committee on Immigration.

He also laid before the Senate a memorial of the National Association of Manufacturers, remonstrating against ratification of the convention for the protection of trade-marks signed at Santiago, Chile, April 28, 1923, which was referred to the Committee on Patents.

He also laid before the Senate a petition of the constituent bodies of the Federal Council of the Churches of Christ in America, and other bodies, praying for the participation of the United States in the Permanent Court of International Justice, which was referred to the Committee on Foreign Relations.

He also laid before the Senate a petition of the National Council of Administration, Veterans of Foreign Wars of the United States, praying that the next appointee to the Civil